312 / MAY 1999

THE NI
NEW INTERNATIONALIST

Drop the debt

$2,000,000,000,000
(two trillion dollars)

Less Odious debts ✓
Natural disasters ✓
Cold War conflict ✓
Unfair trade ✓

Outstanding Nil

PRICE: UK £2.50 AUS. $5.60 AOTEAROA/NZ $5.50 CANADA/US $4.50 ◆ THE PEOPLE, THE IDEAS, THE ACTION IN THE FIGHT FOR WORLD DEVELOPMENT

COMING NEXT MONTH

Green cities

Love them or hate them, cities are here to stay – and growing by the minute. Today, around half the world's population is urban – compared with 15 per cent in 1900 – and the trend is rapidly upwards. Cities are dynamic and imaginative places. But they are also great generators of pollution, leaving ecological footprints that extend way beyond municipal boundaries. What happens to cities in the next few decades will have a dramatic impact on the planet. Next month the **NI** asks whether we can make cities more sustainable – and if so how?

Campa-Cola
LUDHIANA IS YOURS
ਇਕ ਰੁੱਖ ਲਾਓ
ਸੋ ਸੁੱਖ ਪਾਓ।
MUNCIPAL CORPORATION
KEEP IT GREEN

DANIEL O'LEARY / PANOS PICTURES

◆ **Green Odyssey** – how one Canadian couple took to their bikes and cycled through Southeast Asia in search of green cities.

◆ **It's raining fishmeal** – in Peru trying to green your city can land you in prison on terrorism charges.

◆ **A marriage made in hell** – can cars and cities ever get on? What are the alternatives?

◆ **Unruly citizens** – a global round-up of activists who won't take 'no' for an answer.

◆ **What makes a city green?** – comparing eco-friendly Amsterdam and the industrial Indian city of Indore produces some surprises.

◆ **Cities** – a history of ideas.

COMING SOON: ◆ PR AND PROPAGANDA ◆ EDUCATION ◆ IRAQ ◆

New Internationalist

The New Internationalist exists to report on the issues of world poverty and inequality; to focus attention on the unjust relationship between the powerful and powerless in both rich and poor nations; to debate and campaign for the radical changes necessary within and between those nations if the basic material and spiritual needs of all are to be met; and to bring to life the people, the ideas and the action in the fight for world development.

The **New Internationalist (NI)** magazine was founded by Peter and Lesley Adamson in 1970. Together with a range of other publications it is published by New Internationalist Publications Ltd which is wholly owned by the New Internationalist Trust and co-operatively managed:
Accounts: Peter Brown.
Administration: Véronique Szerauc.
Design: Alan Hughes, Andrew Kokotka, Ian Nixon.
Editorial: Vanessa Baird, Chris Brazier, Nikki van der Gaag, David Ransom, Anouk Ride.
Editorial (North America): Wayne Ellwood, Richard Swift.
Magazine marketing: Michael York.
Marketing (North America): Ian McKelvie.
Production: Fran Harvey.
Publications editor: Troth Wells.
Publications marketing: Lucy Kilpatrick, Dexter Tiranti.
Sales and circulation: Jo Lateu, James Rowland.

The **NI** Website:

http://www.newint.org/

The **NI** is published monthly except that the January and February issues are combined into one bumper issue.

The Independent News Collective is an association of radical and alternative publishers. INK publications cover issues of social, political and personal change, issues which are often neglected by the mainstream media. INK enables its members to cooperate on distribution, marketing and publicity. New Internationalist Magazine is an INK member.

It helps us occasionally to allow carefully screened organizations to mail our subscribers. If you do not wish to receive their material please write to your subscription office.

Subscription enquiries

Please write to your subscription office with full details including (if possible) your subscription number shown on the magazine address label. Please inform us of any change of address.

SUBSCRIPTION OFFICES AND ANNUAL PRICES

UK: Tower House, Lathkill St, Market Harborough, LE16 9EF. Tel: 01858 439616. Fax: 01858 434958
Individuals £24.85 p.a.; £6.85 qtly. Institutions £50. Student/Unwaged £14.70 (please telephone for further information).
Republic of Ireland: Tower House, Lathkill St, Market Harborough, LE16 9EF, UK. Tel: (0044) or (0) 1858 439616. Fax: (0044) or (0) 1858 434958. *Individuals IR £29.85 p.a.; Institutions IR £55 p.a.*
Canada: PO Box 706, Markham, Ontario L6B 1A7. Tel: (905) 946-0407 Fax: (905) 946-0410
Individuals 1 yr – $38.50 (includes GST), in NF, NS, NB $41.38 (includes HST); Institutions 1 yr – $64.20 (includes GST) in NF, NS, NB $69.00 (includes HST); Overseas (by air) 1 yr – $60; GST Reg No R121784854.
United States: PO Box 1143, Lewiston, NY 14092. Tel: (800) 661 8700. Fax: (905) 946 0410.
Individuals 1 yr – $35.98 Overseas (by air) 1 yr – $60; Institutions 1 yr – $60.
Australia and PNG: 7 Hutt Street, Adelaide, S.A., 5000. Tel: (08) 8232 1563 Fax: (08) 8232 1887. *Individuals A$56.40.*
Aotearoa/New Zealand: PO Box 4499, Christchurch. Tel: +64 33 656 153 E-mail: newint@chch.planet.org.nz
Individuals $55; Institutions $65 (includes GST).
Rest of the World: Tower House, Lathkill St, Market Harborough, LE16 9EF, UK. Tel: (0044) or (0) 1858 439616. Fax: (0044) or (0) 1858 434958.
Individuals £29.85 p.a.; £8.50 qtly. Institutions £55 p.a. Please pay in sterling by UK Cheque, Eurocheque, Visa, Mastercard or UK Banker's Draft. Despatch by air only.
E-mail: UK/Rest of world: subscriptions@newint.org North America: magazines@indas.on.ca

Editorial and Advertising Offices

Editorial: 55 Rectory Road, Oxford OX4 1BW UK. Tel: (0044) or (0) 1865 728181. Fax: (0044) or (0)1865 793152. E-mail: ni@newint.org **Advertising:** Tel/Fax: (0044) or (0) 1372 276233.
Canada/US Editorial: 1011 Bloor Street West, Toronto, Ontario M6H 1M1. Tel: (416) 588 6478. Fax: (416) 537 6435. E-mail: nican@web.net **Advertising:** Tel: (902) 421 7022 Fax: (902) 425 0166.
Australia: 7 Hutt Street, Adelaide, S.A. 5000. Tel: (08) 8232 1563 Fax: (08) 8232 1887. E-mail: sandyl@newint.com.au

Print and Distribution

Origination: Graphic Facilities, London UK.
Printed on recycled paper by Warners Midlands plc, UK.
News trade distributor: COMAG Specialist Division, Tavistock Works, Tavistock Road, West Drayton, Middlesex UB7 7QX, UK. Tel: (0044) or (0) 1895 433800. Fax: (0044) or (0) 1895 433801.
North America. Publications Contract 101400. Postage Paid at Toronto. Periodicals postage paid at Lewiston, NY. (USPS 329-770) US Post-master: send address changes to: New Internationalist, PO Box 1143, Lewiston, NY 14092.

Permissions and Indexing

Permissions: UK/Rest of the World: Sonja Singleton, Cover Stories, The Guardian, 119 Farringdon Road, London EC1, UK. Tel: (0044) or (0) 171 278 2332. Fax: (0044) or (0) 171 837 1192. Canada/US permissions: Toronto Editorial Office. Member of Cancopy. Reproduction of all material in **NI**, excluding photographs, is free to primary and secondary schools.
Indexed in the Canadian Periodical Index, CPI CD-ROM, CPI Online, the Canadian Index, Canadian Business and Current Affairs, and the Alternative Press Index. Available in full-text electronic format from EBSCO Publishing and Micromedia.

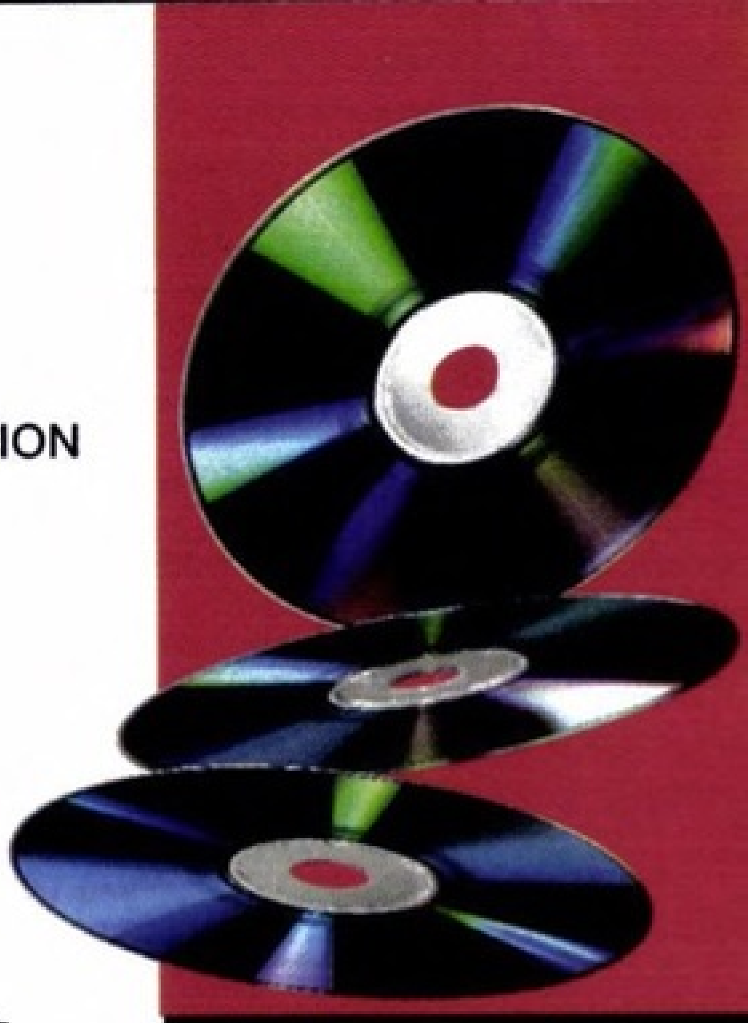
© New Internationalist Publications Ltd. 1999.
ISSN 03050 9529

Magazine printed on recycled paper

The World Guide 1999
CD-ROM

Requires:
WINDOWS 95
or WINDOWS 98
or WINDOWS NT WORKSTATION
or WINDOWS NT SERVER

An alternative reference to the countries of our planet



£39.95

The World Guide 1999 CD-ROM
An indispensable research resource on the countries of the world
Music
All national anthems
Photographs
Explanatory photographs
Flags
All country's flags
Statistics
Key UN development
Diagrams
Major economic diagrams
Maps
The World Guide
An alternative reference to the countries of our planet
1999
MILLENNIUM EDITION
NI
PLUS Social Watch

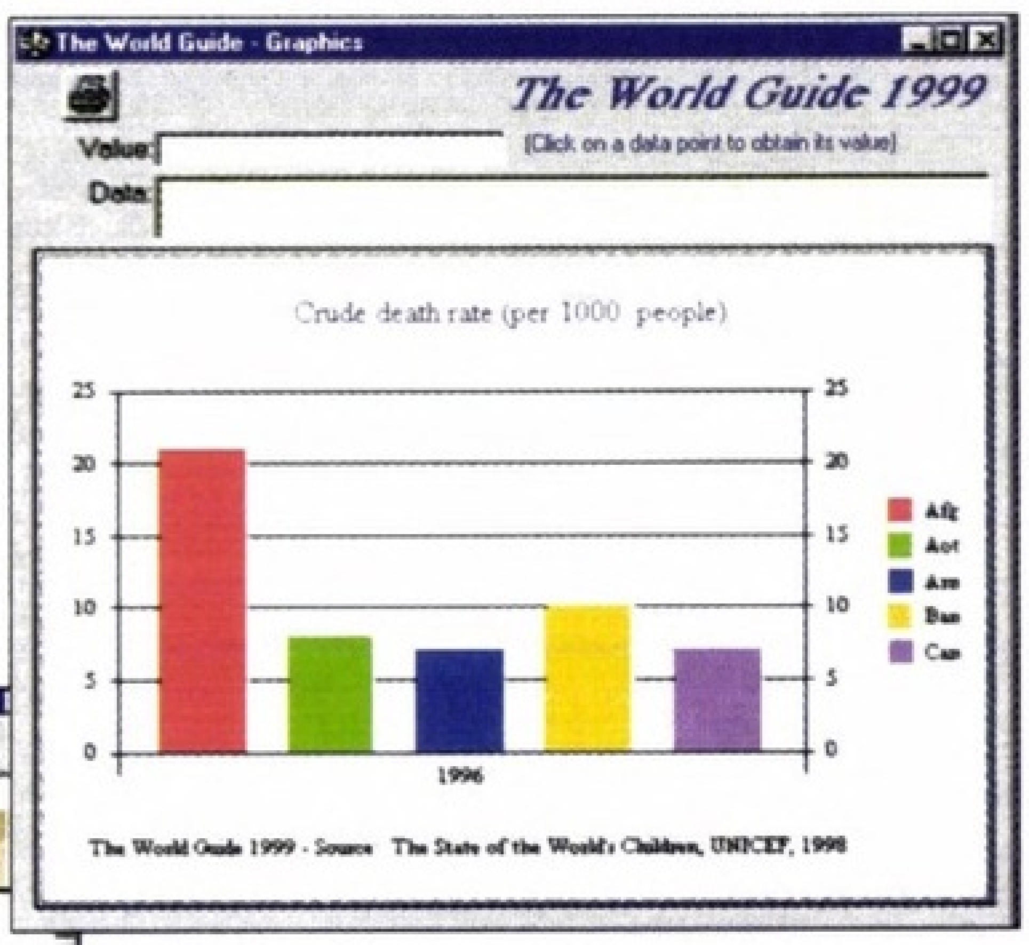
USING THE WORLD GUIDE 1999

This all-new edition of The World Guide has been designed with ease of use in mind. Six menu buttons at the top of every screen give single-click access to all areas of the CD, and ensure you are never far away from where you want to be.

◆ ***Amnesty*** for the latest Amnesty Annual Report on each individual country.

◆ ***Social Watch*** for the latest report on how each country is rated on achieving key social development targets.

◆ ***Tables*** to review indicators for each country such as the percentage of mothers breast-feeding or the adult literacy rate for women.

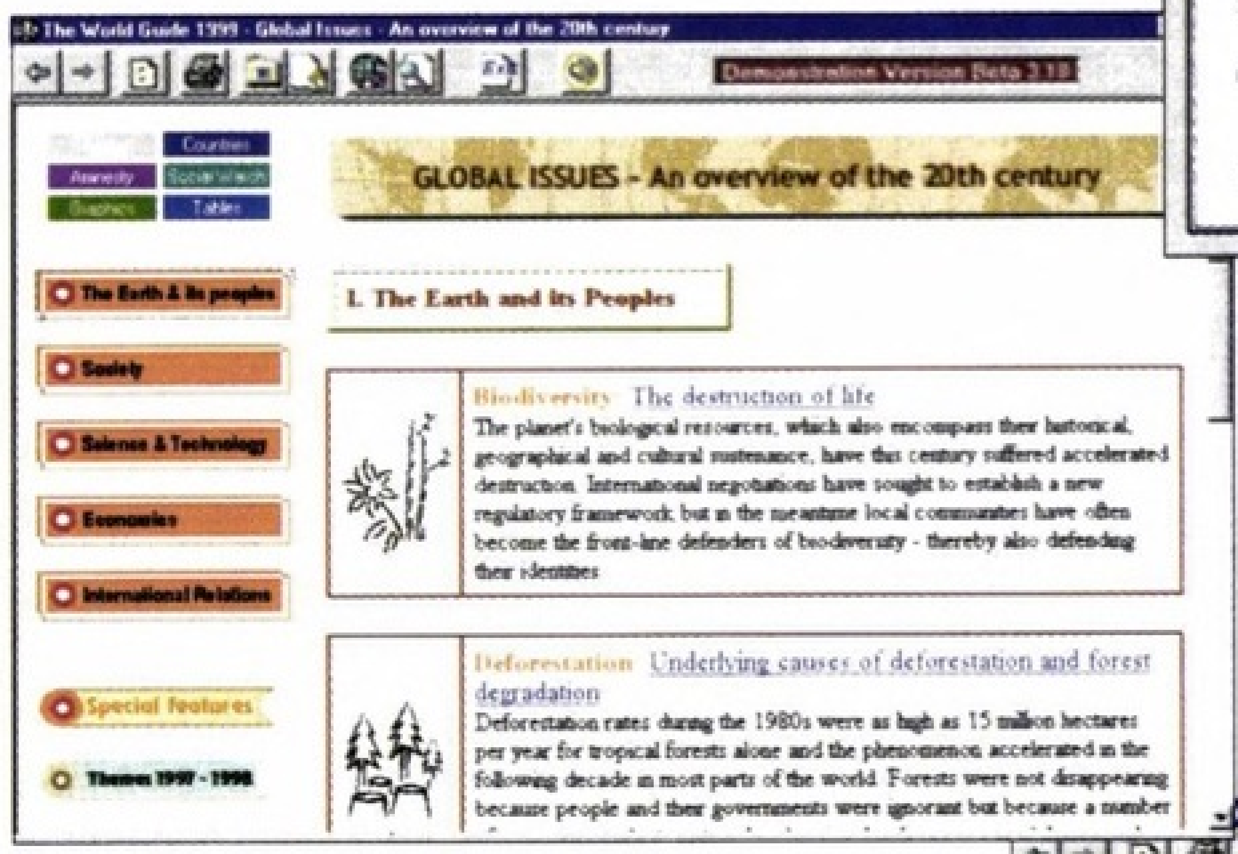

The World Guide - Graphics
The World Guide 1999
Value:
Date:
(Click on a data point to obtain its value)
Crude death rate (per 1000 people)
25
20
15
10
5
0
1996
Afg
Aot
Arm
Ban
Can
The World Guide 1999 - Source The State of the World's Children, UNICEF, 1998

◆ ***Graphics*** to present your chosen indicators graphically, with data for several chosen countries side by side.

THIS new World Guide 1999 CD-ROM is an ideal reference tool for all teachers, students, researchers, report writers and journalists, together with any home interested in hard and up-to-date information on every country in the world.

It is a major reference guide WITH AN IMPORTANT DIFFERENCE. For the information carried by the three works on this CD-ROM emphasise different priorities from more standard texts. These works are particularly concerned with:

- ◆ HUMAN RIGHTS
- ◆ ENVIRONMENT
- ◆ INDIGENOUS PEOPLE
- ◆ MILITARISM
- ◆ SEXUAL & RACIAL DISCRIMINATION


The World Guide 1999 - Global Issues - An overview of the 20th century
Demonstration Version Beta 3.18
Countries
Amnesty
Social Watch
Graphics
Tables
The Earth & its peoples
Society
Science & Technology
Economies
International Relations
Special Features
Themes 1997 - 1998

GLOBAL ISSUES - An overview of the 20th century

1. The Earth and its Peoples

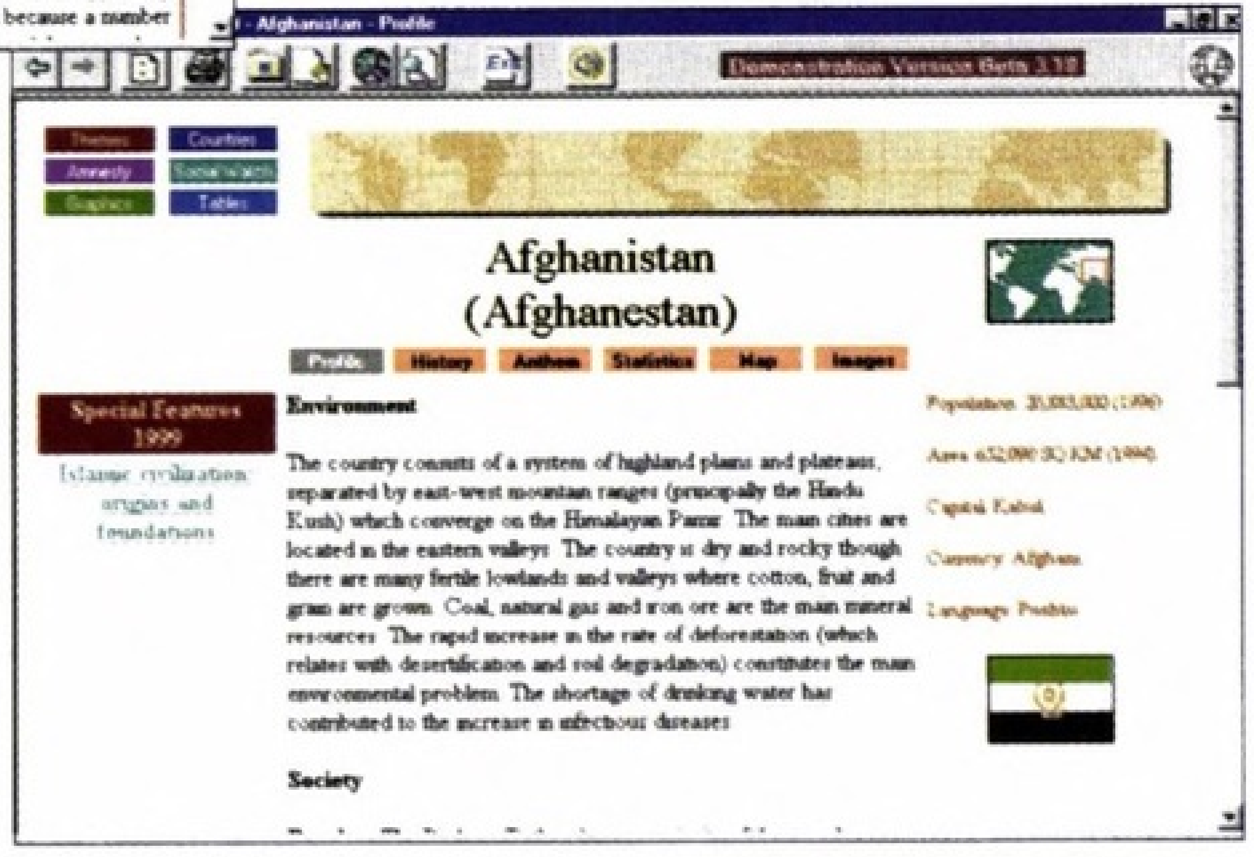
Biodiversity The destruction of life
The planet's biological resources, which also encompass their historical, geographical and cultural sustenance, have this century suffered accelerated destruction. International negotiations have sought to establish a new regulatory framework but in the meantime local communities have often become the front-line defenders of biodiversity - thereby also defending their identities

Deforestation Underlying causes of deforestation and forest degradation
Deforestation rates during the 1980s were as high as 15 million hectares per year for tropical forests alone and the phenomenon accelerated in the following decade in most parts of the world. Forests were not disappearing because people and their governments were ignorant but because a number

Click on:

◆ ***Themes*** to read a fascinating overview of the major development themes of the twentieth century.

◆ ***Countries*** to study a particular country, including its historical overview, profile, location map, country map, key statistical indicators, flag and anthem.


- Afghanistan - Profile
Demonstration Version Beta 3.18
Themes
Countries
Amnesty
Social Watch
Graphics
Tables
Profile
History
Anthem
Statistics
Map
Images
Special Features 1999
Islamic civilisation origins and foundations

Afghanistan
(Afghanestan)

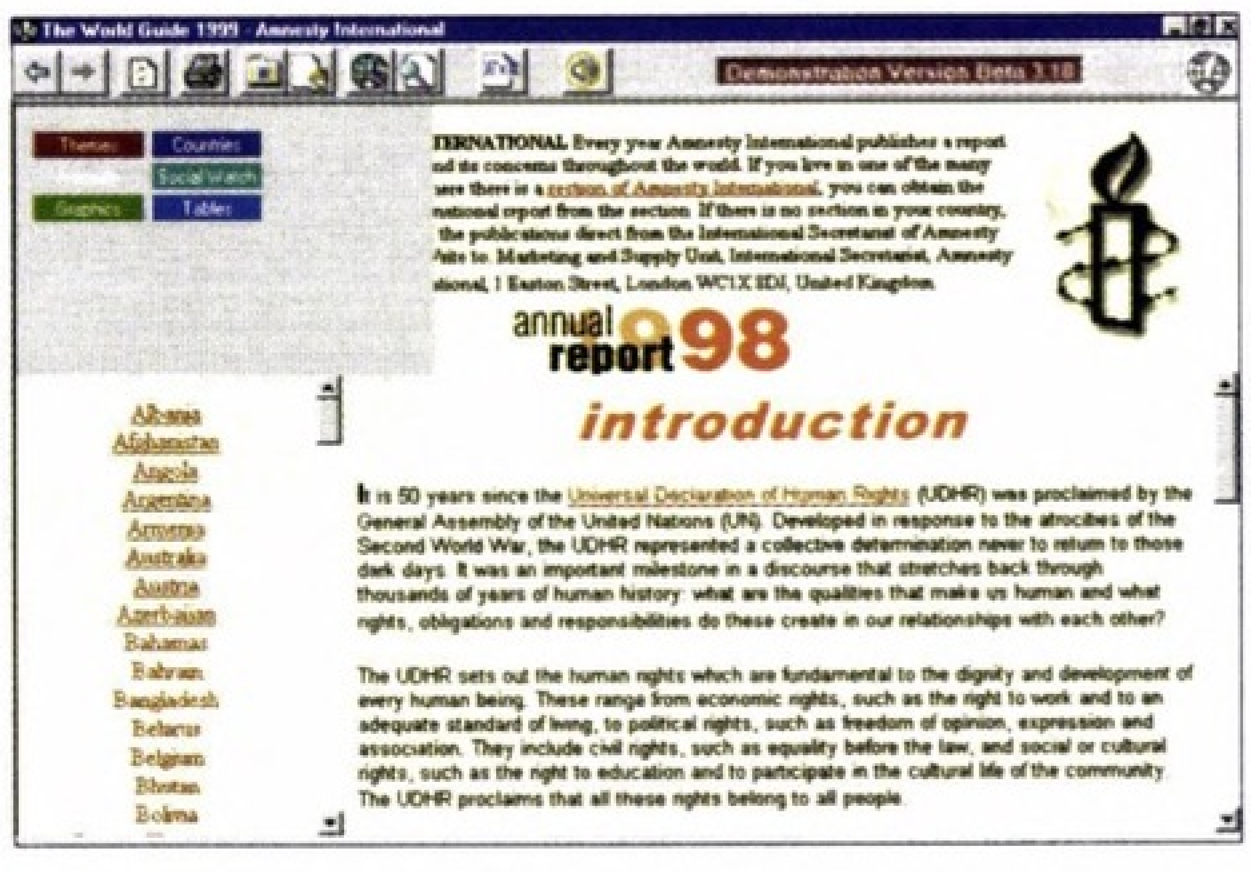
Environment

The country consists of a system of highland plains and plateaus, separated by east-west mountain ranges (principally the Hindu Kush) which converge on the Himalayan Pamir. The main cities are located in the eastern valleys. The country is dry and rocky though there are many fertile lowlands and valleys where cotton, fruit and grain are grown. Coal, natural gas and iron ore are the main mineral resources. The rapid increase in the rate of deforestation (which relates with desertification and soil degradation) constitutes the main environmental problem. The shortage of drinking water has contributed to the increase in infectious diseases

Society

Capital Kabul
Currency Afghani
Language Pashto

This CD ROM adds up to information, graphs and statistics which are eminently exportable to reports, assignments, essays, lectures, articles and research papers.


The World Guide 1999 - Amnesty International
Demonstration Version Beta 3.18
Themes
Countries
Social Watch
Graphics
Tables
annual report 98
introduction
Albania
Afghanistan
Angola
Argentina
Armenia
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Belarus
Belgium
Bhutan
Bolivia

TERNATIONAL Every year Amnesty International publishes a report on its concerns throughout the world. If you live in one of the many where there is a section of Amnesty International, you can obtain the national report from the section. If there is no section in your country, the publications direct from the International Secretariat of Amnesty to: Marketing and Supply Unit, International Secretariat, Amnesty International, 1 Easton Street, London WC1X 8DJ, United Kingdom.

It is 50 years since the Universal Declaration of Human Rights (UDHR) was proclaimed by the General Assembly of the United Nations (UN). Developed in response to the atrocities of the Second World War, the UDHR represented a collective determination never to return to those dark days. It was an important milestone in a discourse that stretches back through thousands of years of human history: what are the qualities that make us human and what rights, obligations and responsibilities do these create in our relationships with each other?

The UDHR sets out the human rights which are fundamental to the dignity and development of every human being. These range from economic rights, such as the right to work and to an adequate standard of living, to political rights, such as freedom of opinion, expression and association. They include civil rights, such as equality before the law, and social or cultural rights, such as the right to education and to participate in the cultural life of the community. The UDHR proclaims that all these rights belong to all people.

Discover the world at a click of a mouse!

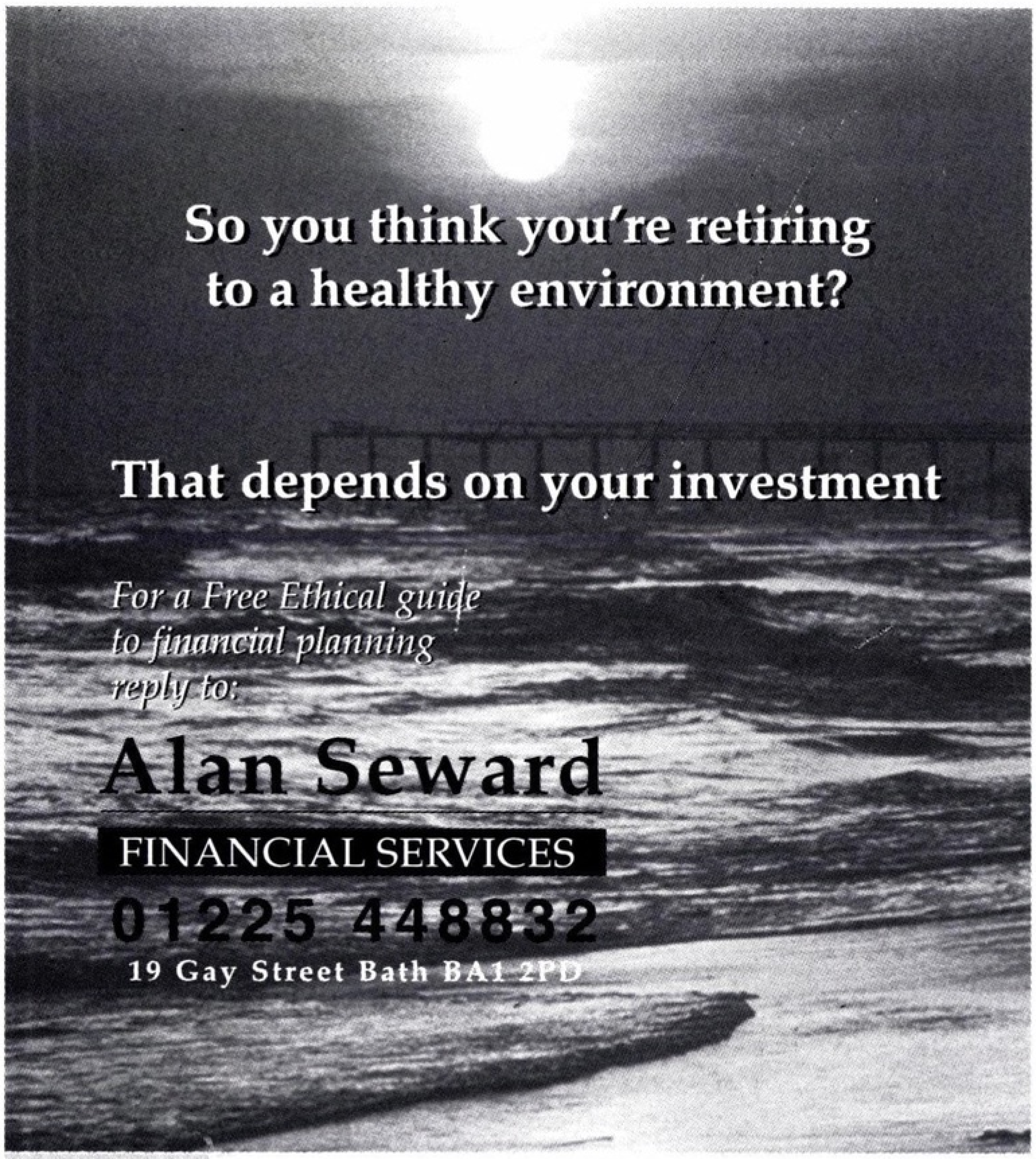
SEE ORDER FORM INSIDE THIS MAGAZINE

Site licenses are available; please contact your nearest New Internationalist Office for details or e-mail jol@newint.org (UK) or brianl@newint.com.au (Australia)

ISBN 1 869847 69 5

SYSTEM REQUIREMENTS: ◆ *486 with 66 MHz processor (Pentium processor preferred)* ◆ *16 Mb RAM (32 MB recommended) and 70 MB of hard-disk space* ◆ **Windows® 95** or **Windows® 98** or **Windows NT® Workstation** or **Windows NT® Server**, *version 4.0 or later running Service Pack 3 or higher* ◆ *256 color display or better (a better graphics card is recommended)* ◆ *Sound blaster compatible sound card and speakers* ◆ *2x speed CD-ROM drive or better* ◆ *MS Internet Explorer 4 (if not already installed, hard disk space required for installation is 20 MB for user-installed files). If you do not have it installed you may do so from The World Guide CD-ROM.*
Networks: *This product has been designed and tested to allow network operation and should function properly in any Windows network, including in CD stacker environments.*

GUARANTEE: IF YOU ARE NOT HAPPY WITH THIS CD-ROM, JUST RETURN IT WITHIN TEN DAYS FOR A FULL NO-QUIBBLE REFUND.


So you think you're retiring to a healthy environment?
That depends on your investment
For a Free Ethical guide to financial planning reply to:
Alan Seward
FINANCIAL SERVICES
01225 448832
19 Gay Street Bath BA1 2PD

Cut along dotted line fill in and return to Alan Seward Financial Services 19 Gay Street Bath BA1 2PD

A Member of Countrywide Independent Advisers Ltd which is regulated by the Personal Investment Authority for life assurance, pensions & investment business only

PIA
Personal • Investment • Authority

Please send me more information on Ethical investments
Name: __________
Address: __________
Postcode: __________
Telephone number: ______ Work: ______

THE
NOTTINGHAM TRENT UNIVERSITY
FACULTY OF HUMANITIES
SCHOOL OF GRADUATE STUDIES AND RESEARCH
(Director: Professor Roger Bromley)
POSTGRADUATE DEGREE OPPORTUNITIES

New international MA Programme in GLOBAL CULTURE AND POLITICS
Students will be able to take one of the following programmes of study, together with modules selected from the other two:

MA INTERNATIONAL CULTURAL STUDIES (with professional experience opportunites)

MA THEORY, CULTURE AND SOCIETY (starting in 2000, subject to validation)

MA WORLD POLITICS

The School also offers taught MA courses in the following areas:
MA Cinema Studies (with professional experience opportunities)
MA English Literary Studies
MA Heritage Studies (with professional experience opportunities)
MA Writing
MA English Language Teaching (starting in 2000, subject to validation)
MA European Culture and Society (starting in 2000, subject to validation)
The Centre for Broadcast Journalism offers MA programmes in Investigative Journalism, Television Journalism, and On Line Journalism.

University Graduate School bursaries are available.

RESEARCH DEGREE PROGRAMMES (TEN three year bursary awards will be available this year)
The School offers research degree programmes in the following areas:

Cultural, Media, and Communication Studies; English Literary Studies; European Studies (French, German, Spanish); History; Human Geography; International Relations; Social Theory

The Theory, Culture & Society Centre (Director: Professor Mike Featherstone) is also offering five TCS awards of £4,500 (approx $7,500) over three years for full-time PhD students. Full details of the extensive research carried out by the Centre are available on request (tel +44(0)115 9486332; e-mail: tcs@ntu.ac.uk)

Further information is available from:
Graduate School Office; Faculty of Humanities; The Nottingham Trent University; Clifton Lane; Nottingham NG11 8NS
Tel +44 (0)115 9486335 (Amanda Samuels, MA programmes)
or +44 (0)115 9486321 (Terry McSwiney, Research)
Fax +44 (0)115 9486339
e-mail: Amanda.Samuels@ntu.ac.uk; Terry.McSwiney@ntu.ac.uk

Not All Ethical Investment Specialists Are The Same

ETHICAL
INVESTORS GROUP
Ethical Financial Management

- **Provide advice exclusively on ethical and green investments**
- **Help you match your money with your principles – whatever they may be**
- **Provide a countrywide financial advice service**
- **Distribute at least 50% of our own net profits to charities & campaigning groups, to date totalling over £250,000**

WE CAN ARRANGE
PENSIONS, PEPs, LIFE ASSURANCE*, REGULAR SAVINGS*, LUMP SUM INVESTMENTS*
PRIVATE PORTFOLIO MANAGEMENT*

Contact The Ethical Specialists
Ethical Investors Group, Greenfield House, Guiting Power,
Cheltenham, GL54 5TZ Tel: 01451 850777
Regulated by the Personal Investment Authority
*The PIA does not regulate all of the products within this category.
Statutory Warning: The value of an investment can fall as well as rise.

Please Tick where appropriate
☐ Retirement Planning ☐ Lump Sum Investments* ☐ Regular Savings*
☐ Life Assurance and Protection*
Ms/Mr/Mrs ....
Address ....
.... Tel: Work .... Home ....
Ethical Investors Group is the trading name of Ethical Investors (UK) Limited
Registered in England. Registered number 2857294.
NI

SOUTH BANK
UNIVERSITY
·LONDON·

Educating for a Sustainable Future

MSc/PG DIP ENVIRONMENTAL AND DEVELOPMENT EDUCATION

FACULTY OF HUMANITIES AND SOCIAL SCIENCE

2 year part-time distance learning or 1 year full-time in London:

- For educators and communicators - teachers, youth and community workers, NGO staff, media and those in similar fields.
- Tackles contemporary global issues of environment and development and strategies for change.
- Skills for participatory development and social change.
- Flexible in approach.
- Assignments linked to individual work/interests.

For further details, please contact: Course Administrator, MSc in Environmental and Development Education, Faculty of Humanities and Social Science, South Bank University, 103 Borough Road, London SE1 0AA. Tel: +44 (0) 171-815 5792. Fax: +44 (0) 171-815 5797 Email: msceede@sbu.ac.uk

A charity serving the community through excellence in teaching and research

The *real* choice

With *our* help *your* investment can avoid *these* hidden costs.

www.barchestergreen.co.uk/ethical

Not everyone believes in profit at any cost. Barchester Green Investment are independent financial advisers who specialise in ethical investment, a profitable way of investing your money without compromising your values. To find out more about profit with principle call: 01722 331241 (24 hrs) or fill in the coupon.

BARCHESTER GREEN INVESTMENT
Established 1985

Mr/Mrs/Ms ______________________________

Address ______________________________

____

Postcode ____________ Tel. ________________

Return to: Barchester Green Investment Freepost Salisbury Wilts SP1 2UR
Remember, the price of units can fall as well as rise and past performance is not a guarantee to the future.
Regulated by the Personal Investment Authority.
NI

LONDON

Ethical Investment: Committee Appointment

The Committee of Reference acts as independent adviser to Friends Provident, the UK's largest ethical investment house, on the management of its range of Stewardship unit trusts. Its particular role is to advise on the overall policy and investment selection criteria for its ethical funds and on their application to the selection of acceptable companies for a number of different ethical funds for individuals and institutional investors. The Committee's investigation and analysis goes beyond products and services to such issues as employment practices, attitudes towards local communities, natural resources, pollution control and the socio-political climate of countries in which companies trade or have substantial interests.

Its eight members meet regularly four times a year at Friends Provident's offices in the City of London, with perhaps four additional meetings. This adds up to an annual commitment of ten to fifteen days, including preparation time. Membership of the Committee is paid and members have the employment status of independent consultants.

The Committee is keen to recruit a person with experience or knowledge of some of the following areas: employment issues, developing country issues, equal opportunities, health, safety and environmental issues and business/corporate culture.

Applicants will have experience of working in a team where divergent views are expressed forthrightly and consensus reached. They should be able to present their own opinions with clarity and confidence and utilise diverse information rapidly. Ideally, they will have experience of change management, particularly within private sector commercial organisations.

An Equal Opportunities employer, Friends Provident wishes to actively expand the range of experience the Committee brings to its deliberations, and therefore positively welcomes applications from all sections of the community.

To apply please write, including a full CV, quoting ref: NI, to Roger Whiffin, Friends' Provident Unit Trust Managers Limited, Pixham End, Dorking, Surrey RH4 1QA by Friday 14th May 1999.

1832

FRIENDS PROVIDENT

END
THIRD WORLD
DEBT

Christian Aid/David Pearson

AND START TO
END
THE THIRD WORLD

How can a country pay back debts
to lenders, when they can't even
afford to care for their own people?
Let alone feed and house them.
The lenders demand, demand, demand
their money back.
And then they demand the interest.

Now you can demand that this debt
be cancelled.

We've a once in a millennium opportunity to make an historic gesture.
We're calling for a one-off cancellation of the unpayable debts of the Third World.
So that the money spent on repayment can be used to help eradicate poverty.
It's a chance to break this vicious chain of debt.
A chance to change millions of lives for the better, forever.
It's your chance to support our campaign, by ordering your chain today.
Wear it to show you care.

Our chain symbolises the chains of Third World debt. For your lapel chains send the coupon or call 0345 000 300

Name ______________________ Address ______________________________________

__________ Postcode __________ Please send me ___ chains @ £1 each (+50p p&p) total £ ___ I enclose cheque/PO for £ ______

or debit my credit card. (Visa/Switch/Other, please specify) ________ Card No ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Expiry date __________

Signature ______________________________ Issue No. __________

PE49

Send to: Christian Aid,
Freepost NWW 1512A,
Manchester M2 9GA.
Registered Charity No. 258003

Christian Aid
We believe in life before death

For more information
on debt visit our website:
www.christian-aid.org.uk

NEW INTERNATIONALIST 312

CONTENTS

NIGEL DICKINSON / STILL PICTURES

The dictatorship of debt 7
David Ransom *questions who owes whom – and for what.*

Debtspeak 11
A dictionary of debt.

Under the volcano 12
Nicaragua may have been flattened by Hurricane Mitch, says ***Tim Gaynor****. But not half so much as by 'structural adjustment'.*

Double dealing 14
Or how to fix the rules of high finance. ***Ellen Frank*** *explains.*

Two-faced copper 17
Paying for the falling world price of copper. ***Chris Holt*** *reports from Lusaka and London.*

DEBT – THE FACTS 18

Simple life 20
George Fisher *profiles Jeremy Hare, a modern consumer whose world slowly slides into financial chaos.*

Scrap metal jacket 22
Why Vietnam gets no benefit from one useful legacy of the US military machine. By ***Michel Chossudovsky****.*

Take the hit! 23
If you're greedy enough to float loans to dictators and despots you should accept the consequences, argues ***Joe Hanlon****.*

The Marshalltezuma Plan 25
Cuaicaipuro Cuautémoc *launches a rescue package to save Europe from itself.*

Debts to history 26
How governments borrow to wage war.

Starting from scratch 28
The origins of the Jubilee idea explored by ***John Mihevc****.*

Break the chains 29
Ann Pettifor *proposes a Debt Review Body to redress the imbalance between debtors and creditors.*

ACTION and worth reading 30

Letters 2
Letter from Mongolia 3
Update 4
Reviews: plus **Walter Salles** classic 31
NI Crossword 33
The NI Interview with **Kim Soon-duk** 34
Country profile: Algeria 36

FRONT COVER AND MAGAZINE DESIGNED BY **ANDREW KOKOTKA**

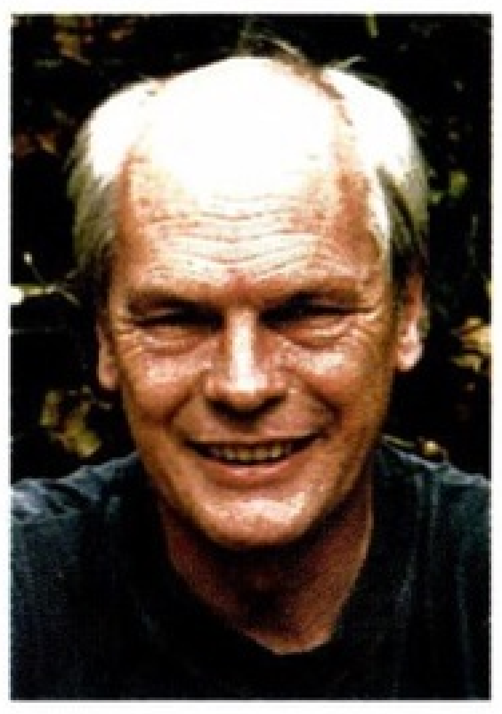
THIS MONTH'S **THEME**

Debt

FROM THIS MONTH'S **EDITOR**

My granny was the daughter of a stonemason and she grew up in fear of frost. When the mercury dipped below zero the water that lubricated the stone-cutting saws would freeze, threatening her father's job and raising the spectre of hunger. Yet her fear of debt was even greater than her fear of frost. In Victorian England there was no deeper shame than the debtors' prison. The Clink Street Jail in London gave its name to an expression – 'in the clink' – that described the worst fate imaginable. For the working class, staying out of debt was a principle born from a bitter collective memory of the slavery that came with it.

Today debt slavery has not disappeared. Countless lives are being ruined and the real economic progress of dozens of impoverished countries hobbled by a growing debt burden. All of us – nations, individuals and private businesses – float on a stormy ocean of debt and think nothing of it, while sirens beckon from the shoals offering immediate gratification of our lurking desires. As I know all too well, it's hard to resist.



I guess that's probably why I wasn't all that shocked when I recently opened a menacing letter from a debt collector. 'Your credit worthiness,' it scolded me, 'is a priceless asset. Utilities check it before agreeing to connect you to their services. Landlords check it before renting property and banks before granting mortgages. Your standing with the authorities may be damaged and you may have difficulty finding a job...'

The letter suggested that my life was on the verge of immediate ruin unless I paid up. I'm sceptical. Personally my attitude resembles that of an uncle who, if his bank didn't oblige him, confidently threatened to take his overdraft elsewhere.

Nonetheless, it's nearly impossible to make sense of debt and the global financial system without having some grasp of economics, if only to put it in its proper place. So this magazine is one in a mini-series on economic themes that began with *Money* (No 306) last October and will be followed in December by a double issue on the desperate need for new financial 'architecture'.

What makes this magazine different from the other two is that it's tied directly to the Jubilee 2000 campaign for the cancellation of Third World debt. In this issue you'll find a background briefing with plenty of extra reasons – should you need them – to join in.

Some 70,000 anti-debt campaigners attended the Group of Seven (G7) summit in Birmingham, England, last June. Now the Jubilee 2000 campaign, North and South, is limbering up to do the same thing in Cologne, Germany, this coming June. Extra copies of this issue of **NI** have been printed for the lead-up to Cologne and for distribution at the summit itself. It's a unique opportunity for people to make a difference.

Oh, and by the way, it turned out that the dunning letter mentioned above was in fact a 'computer error' for a couple of mail-order books sent to the wrong address – rather like all those Third World debts. In my case, the mistake was corrected and the ruin of my life averted. In their case, the mistake has yet to be recognized and millions of lives are being ruined regardless.

David Ransom

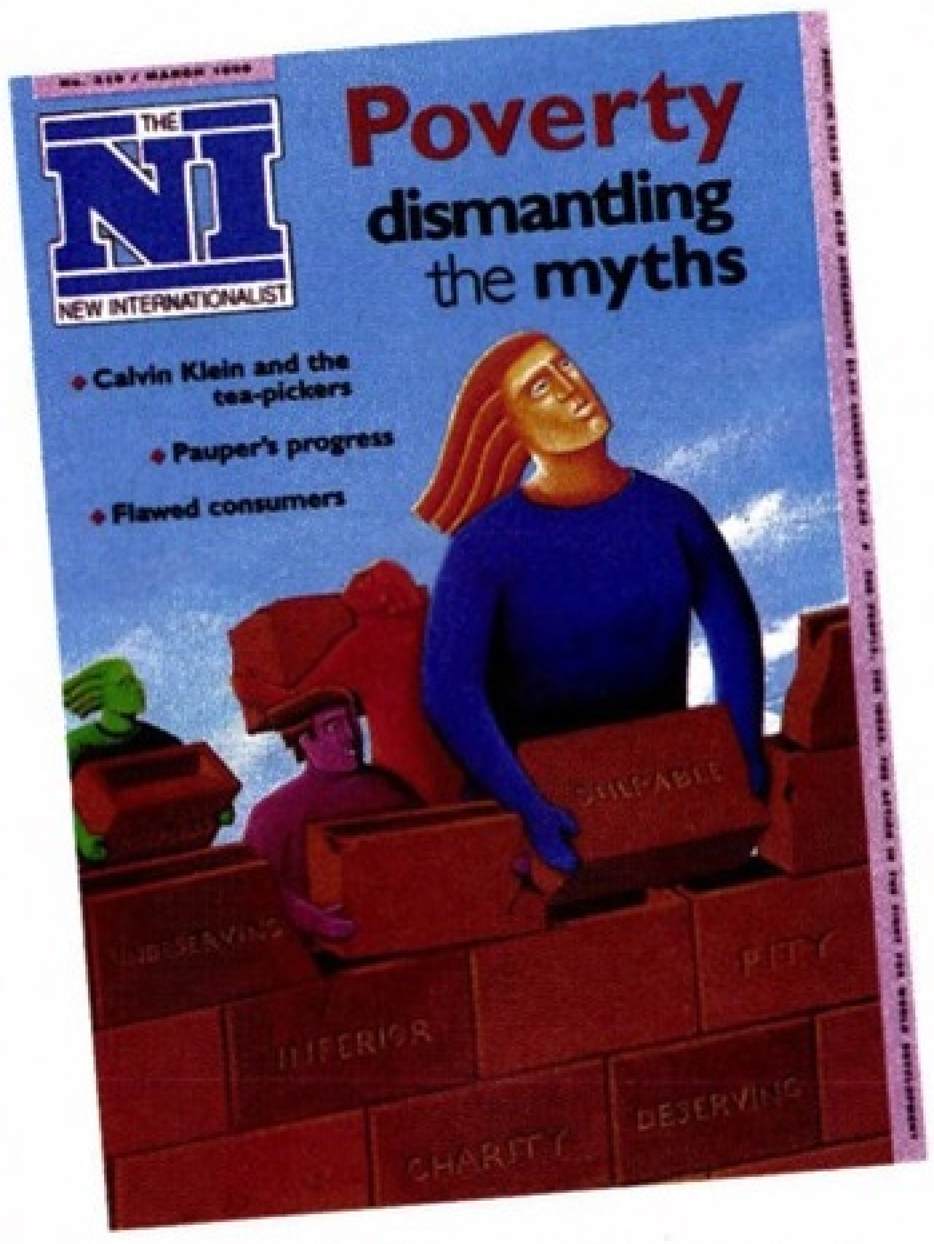
David Ransom
for the ***New Internationalist*** *Co-operative*

Letters

The New Internationalist welcomes your letters. But please keep them short. They may be edited for purposes of space or clarity. Include a home telephone number if possible and send your letters to the nearest editorial office. The address and e-mail are inside the front cover.

Landlessness

There is one fundamental factor which your magazine on poverty (**NI 310**) overlooked. It is landlessness. All life and all wealth derive ultimately from land and in the UK approximately five per cent of people own outright – and tend to exploit possession of – 75 per cent of the land and its natural resources. The remaining 95 per cent of us have to sell our labour in a shrinking labour market.



The way out? Accept the fact that all land and natural resources be regarded as community assets and that we must each, while reaping the full benefit for what we put into the economy, pay for what we take out. The Exchequer should collect the economic rent of all land sites.

This is not a new idea. The American economic journalist Henry George dedicated his book *Progress and Poverty* in 1879 'To those who, seeing the vice and misery that spring from the unequal distribution of wealth and privilege, feel the possibility of a higher social state and would strive for its attainment'.

Gordon Rudlin
Stonesfield, England

Church's response

I was shocked to read that a magazine of your stature would give credibility to an individual whom many people in the United Church of Canada believe is a serious liability to the cause of justice for the victims of Canada's Indian residential schools. ('Update' **NI 309**).

Are you so ill-informed about First Nations issues and in particular about the horrendous legacy of residential schools in Canada that it never occurred to you to broaden the scope of your research and to check the status of Kevin Annett's relationship with the tribunal about which you report? For years Mr Annett has periodically garnered public attention, particularly when journalists have failed adequately to investigate his claims, many of which rely heavily on innuendo, half-truths and conspiracy theories. In responding to these claims the United Church of Canada has said that it fully supports the investigation of all allegations related to residential schools.

While we have grave concerns about the prominence given to Kevin Annett in your report, we do not wish to discredit the story of any person who speaks of their experience as a student of a residential school.

Although it is not clear to us what the role and status of the tribunal is in terms of Canada's First Nations peoples, we believe it is significant that many of the individuals who were involved in the tribunal have subsequently disassociated themselves from Kevin Annett.

Finally, it is important that your readers know that the United Church has said it recognizes the Church's involvement in residential schools was wrong and has apologized to Canada's First Nations peoples. The Church has also actively sought a path of healing for residential school victims and has never attempted to suppress or deny the stories of pain and abuse suffered by individuals who attended residential schools.

The Reverend David Iverson
General Secretary, The United Church of Canada, Toronto, Canada

Hitler/Stalin prize

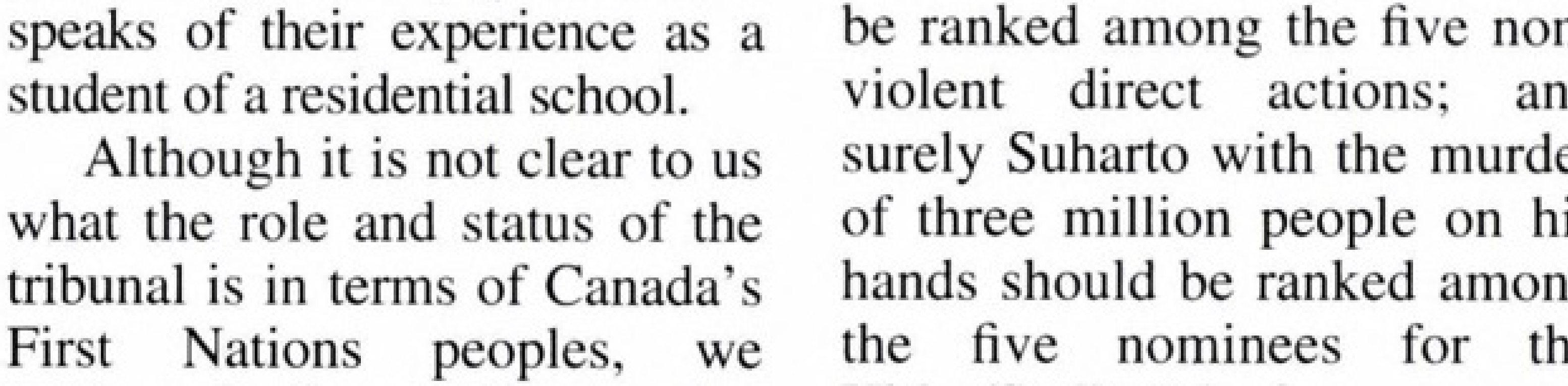
In your double issue (**NI 309**) surely Che Guevara deserves to be mentioned among the martyrs of the century; surely the March on Washington should be ranked among the five non-violent direct actions; and surely Suharto with the murder of three million people on his hands should be ranked among the five nominees for the Hitler/Stalin Prize?

Jennifer A Wade
Vancouver, Canada

Antidote to misery

With reference to your issue on poverty (**NI 310**) 'Poverty' (ie the centuries-old life of relative frugality, of sufficiency for basic material needs, and a thousand non-material boons), is the only and true antidote to misery (the abject and inhuman condition that I presume you are trying to eliminate). But misery is the inevitable consequence of modern civilization, that peddles the utopia of consumer society through technology, science and 'efficiency'.

Alfredo L de Romaña
Lima, Peru


Thanks to Science and Technology we only need three people to run this HUGE farm
And with the government-subsidized combine-poisoner-planter-picker, we'll only need TWO
©QUILLIN.

VIV QUILLIN

Danish resistance

I was horrified to read the pamphlet enclosed in *The Radical Twentieth Century* (**NI 309**) where for the year 1941 you stated that 'Denmark joins the Axis powers'.

Denmark certainly never joined the Axis powers but was invaded by Nazi Germany in 1940 along with Norway, Holland and Belgium. I would like to remind you that the Danish population was massively against the invasion and throughout the five years of occupation a very active resistance movement was aiding the Allied forces.

Also, only a handful of Danish Jews were rounded up by the Nazis. The vast majority were helped to hide by non-Jewish Danes and eventually were sent to safety in Sweden.

H Rasmussen
Edmonton, Canada

Editor's note: The source of this entry was Longman's *Chronicle of the 20th Century*, which states on 27 November 1941 'riots greet Denmark's decision, under German pressure, to join the Axis powers'. While this is technically true, our shorthand version clearly misrepresented the mass resistance of the Danish people to Nazi occupation and we apologize.

Easy targets

One can read in the *New Zealand Herald* that 'criminals treat immigrants as easy targets'. Some days before, we could read in the same paper the notice: 'Immigrant gagged by intruders'. There is no doubt in this context that the 'intruders' are the criminals. But let us take an article by Gareth Morgan entitled 'Wrong type of migrant not good for economy' (*New Zealand Herald*, 31 March, 1998).

Could anybody ask about 'criminals' in this case? I can give you a clue: 'skills and education are all very well, but what many countries want from migrants is instant money' (**NI 305** p 9). There is no doubt that the criminals are also:

a) creators of the points system,
b) immigration consultants.

Both these groups of people indeed 'treat immigrants as easy targets'.

Chris Iwan
Auckland, Aotearoa/New Zealand

Worst performance

While the media here celebrates Lloyd Axworthy and Canada's new seat on the UN Security Council, much of the world is forming a much less favorable impression of Canada's international effectiveness.

For many of the world's trouble spots, peace will only come with a reasonable chance of development and economic opportunity. Unfortunately, Canada's development assistance budget is slated to fall to a quarter of one per cent of GDP this year, less than half of the international target of 0.7 per cent. Of this amount, less than 20 per cent will be spent on basic social services like primary healthcare, basic education, clean water and nutrition programs.

This is Canada's worst performance in development aid in 30 years. We now rank in the bottom half of donor countries, belying our international humanitarian reputation. The sad truth is that while Canada may still be seen as a leader in high-profile matters such as the United Nations Security Council, our record where it really counts for the world's poor has become an international disgrace.

Blaise Salmon
Victoria, Canada

Awards for the NI

The *New Internationalist* was delighted to be nominated for the US-based *Utne Reader* 1998 Alternative Press Awards. We won not only the International Coverage section where we were singled out as 'offering a consistently unique and important perspective on global culture' but also for the General Excellence section where we won for our 'monthly reminder of our common humanity'.

The views expressed on the letters page are not necessarily those of the New Internationalist.

Letter from Mongolia

A sheep for the Shaman

Few people have heard of Tuva, a small country at the heart of Asia. Still fewer know that Tuvans are Shamans. **Louisa Waugh** meets the people who communicate with the spirits...

TUVAN IS THE most beautiful language I've ever heard. Words and phrases linger in my mind like bars of music and I repeat them just for the pleasure of the sound they produce.

Here in the far western mountains there are more Tuvans than anywhere else in Mongolia. Tuva, Mongolia's north-western neighbour, is an obscure country, best known for its quirkily named capital, Khyzl (pronounced Kizul), where an obelisk marks the absolute centre of Asia. The Tuvans first crossed the Altai range to Mongolia because this seeming-barren landscape in fact offers good grazing for their livestock. Today, they herd their animals alongside Mongolian nomads.

But there is a difference between them. While the Mongolians worship Buddha and the local Kazakh community pray to Allah, the Tuvans have no God. They are Shamans. Shamanism is not a religion, but a practice, with the Shaman being the link between the animal and land spirits and those who revere and pray to these spirits. Only the Shaman can communicate between these two worlds.

My colleague and friend Gansukh was giving me a Tuvan lesson when her brother Dorj arrived with a host of relatives from these nearby mountains. No-one schedules visits here; hospitality is endemic. Crumpled grandparents, florid husbands and wives and wiry children poured into Gansukh's wooden home, greeting and gossiping as they crowded round the wood-burning stove, the older people crouching on the few narrow stools, the youngsters kneeling on the floor.

Gansukh brewed a vat of salty milk tea, as Sansar-Huu took his dagger outside to slaughter a sheep. A resigned-looking ewe had her throat cut and was instantly skinned, as the guests blew on their scalding tea and warmed their stubby hands.

I helped Gansukh clean the warm internal organs, the stomach and the intestines, which would all be eaten. Everything is used. The head and hooves are boiled and the flesh scraped off and chewed. Every ounce of fat is saved and the skin sewn into the lining of winter clothes. For an ex-vegetarian, I've come to appreciate sheep.

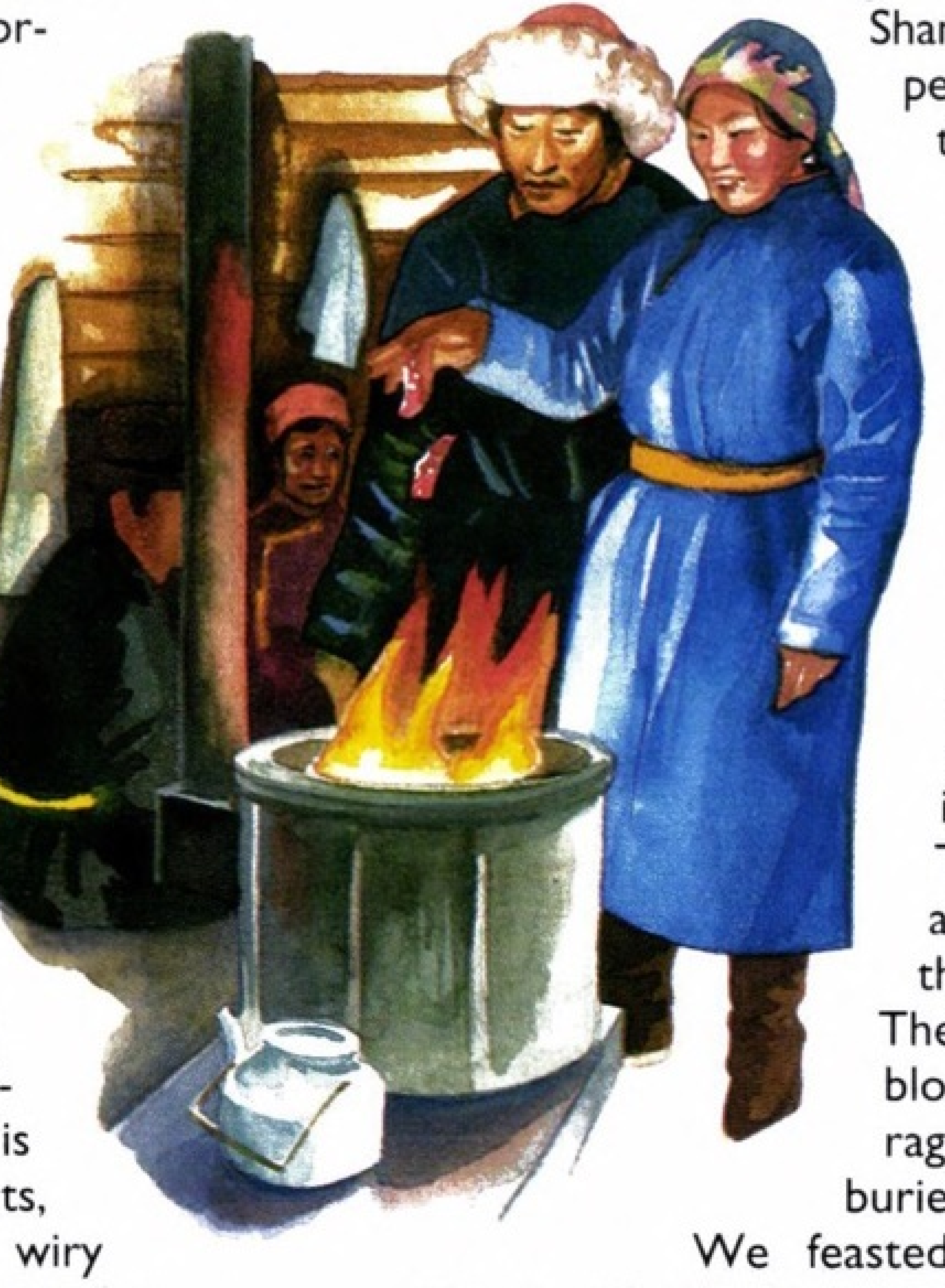
The organs were simmered on the stove for several hours, while the guests settled down.

Sansar-Huu splashed potent local vodka into a shallow wooden bowl, dipping his left ring finger into the clear liquid three times and spraying the drops around us, to toast in turn the spirits, the mountains and the land. I frowned, bemused, as he passed the bowl to a young woman: the men are always served first here.

'Why is she so important?' I whispered to Gansukh.

'Because she's the Shaman,' she hissed. My eyes bulged. I'd heard much about Enktuya, whose spiritual inheritance descends from nine generations of female Tuvan Shamans. I'd been told she was just 23, but her age was impossible to determine: her face was youthful, but she had the gait of an older, more tired woman. Enktuya would spend just one night in the village – a Shaman, Gansukh whispered, can rarely leave the mountains. Now I understood why the ewe had been slain. It was in honour of Enktuya's visit.

When the sheep was finally tender Gansukh took a knife and silently tossed a small section of bone, meat, dried blood and a slither of the heart into the stove flames. Tuvans believe there's a spirit in all fires and this was an offering. They never burn soiled or blood-stained papers or rags, which are instead buried outside.



SARAH JOHN

We feasted, washing down the chunks of dripping meat with more tea. The grandparents relaxed, inhaling snuff from tiny stone bottles and smoking pungent shredded tobacco wrapped in strips of old newspaper. By evening the guests were drifting off to visit other homes and relatives.

Gansukh and I finally finished my Tuvan lesson and began her English revision (I am training her to take over as the teacher in the school when I leave in a month's time).

'So many visitors!' she sighed. 'Some of them will come back here and stay, so we'll be up late and I'll be tired at school tomorrow.'

'Don't you want them to return?'

She smiled in the candlelight. 'Of course I do, Louisa. I couldn't ever live in a place where people don't visit and wouldn't be welcome to stay as long as they wanted. This isn't just our home; it's also theirs.' ■

Louisa Waugh lives and works in Mongolia and is writing a book about Mongolian life.

Update

ARMS TRADE

Landmine ban thwarted

New weapons in an old story of US inaction

THE Clinton administration is seeking nearly $50 million from Congress this year for a new type of artillery-fired landmine system designed to blow up both tanks and people. This would violate an international landmine ban treaty that the President had pledged to try to sign. Activists say the surprise budget request raises questions about whether President Clinton has given up trying to comply with the global ban.

The worldwide landmine ban went into effect on 1 March 1999 – participating nations are to destroy antipersonnel landmine stockpiles within four years and get them out of the field within ten years. But not the US, which has refused to sign the Ottawa accord adopted in 1997. Clinton says the Government will eliminate antipersonnel mines everywhere except on the Korean Peninsula by 2003, and then totally by 2006 if alternatives could be found. But the President's new budget request casts doubt on even that conditional commitment to the treaty.

Clinton backs off: the US wants more landmines despite the ban.

WASHINGTON PHOTOS / CAMERA PRESS

James Schear, a deputy assistant Secretary of Defense, says of the new landmine system (called RADAM, a merger of the acronyms of the two mines it would combine): 'This system is a more humanitarian alternative to the existing suite of systems that we now have,' in that it would eliminate mines targeted strictly at people.

Senator Patrick J Leahy, a Democrat who supports the landmine ban treaty, says: 'An approach which simply repackages mines which are prohibited under Ottawa is not a solution.' Stephen Goose, from Human Rights Watch, points out that the Pentagon's contention that RADAM is a transitional device to a mine-free world nevertheless 'creates the very odd situation where the Pentagon is saying we are going to get to a ban on antipersonnel mines by producing a new antipersonnel mine system'.

Other countries that have also refused to sign the treaty include Russia, China, India, Iraq, Iran and Pakistan. Of the 133 countries that have signed the treaty, 64 have ratified it and more are expected to do so before the signatories meet in May in Mozambique. Exports have almost stopped completely in the last four years and between 10 million and 15 million landmines have been destroyed from stockpiles, says Goose. Even countries that have not signed the accord, like the United States and Russia, have made substantial improvements to reduce them or eliminate certain types, Goose says. But RADAM may make the US's positive action meaningless: 'This move just sends the wrong signal,' says Tom O'Donnell, an aide to US Representative Lane Evans. 'To me, the mine system proposal is very inflammatory. You made a commitment. Let's get on with it.' ■

Human Rights Watch/All quotes from *The Times*

STEPHEN GILL / PANOS

Sexual abuse uncovered

The first scientific study on child sexual abuse in Sri Lanka has concluded that 100 young people are sexually exploited or abused every day on the island. A local organization, Protecting Children and Environment Everywhere, found that while Sri Lankan boys were subject to commercial sexual exploitation involving foreign paedophiles, it was girls who suffered most from abuse within the community. Many of the girls only had one parent, usually the mother who was working abroad, and victims were easy prey because they were left unsupervised. Currently, sexually-abused children are sent to remand or detention homes where offenders and victims live side-by-side. One activist warned that without help victims often end up drug addicts, criminals or abusers themselves.

BBC World Service 9 February 1999

KLEIN/HUBERT / STILL PICTURES

Going, going, gone

Australia has failed to stop large-scale forest clearing of 500,000 hectares a year – a rate comparable to Amazon forest destruction. Under government policy local projects such as tree-planting are being encouraged. But the bigger environmental issues such as land clearance, loss of species diversity, greenhouse gases and urban pollution are left to fester. Executive Director of the Australian Conservation Foundation Don Henry says: 'The issue is not public awareness but political efforts to get it off the agenda because it is viewed as too hard.'

The Age 13 January 1999

AFRICA

Scandalous trade

Slavery continues in Sudan

A free man – slaves have been bought back from their masters.

MARK EDWARDS / STILL PICTURES

PRESSURE is mounting to stop the trade in slaves in Sudan – a practice which allegedly involves the connivance of the Sudanese authorities. Thousands of young Sudanese have become slaves who serve their masters under bondage and without any rewards.

In an attempt to stop the trade, many are trying to buy back the slaves. More than 1,000 Southern Sudanese slaves were redeemed recently and reunited with their families in Aweil district of northern Bahr El Ghazal. This is believed to be the highest number of slaves freed in one day on record and brings the total to 5,066 redeemed since 1995, according to Christian Solidarity International (CSI), a Swiss-based organization. But this is only a small fraction of the tens of thousands of Southern Sudanese believed to be held in bondage by Arab Tribes from Darfur and Kordofan.

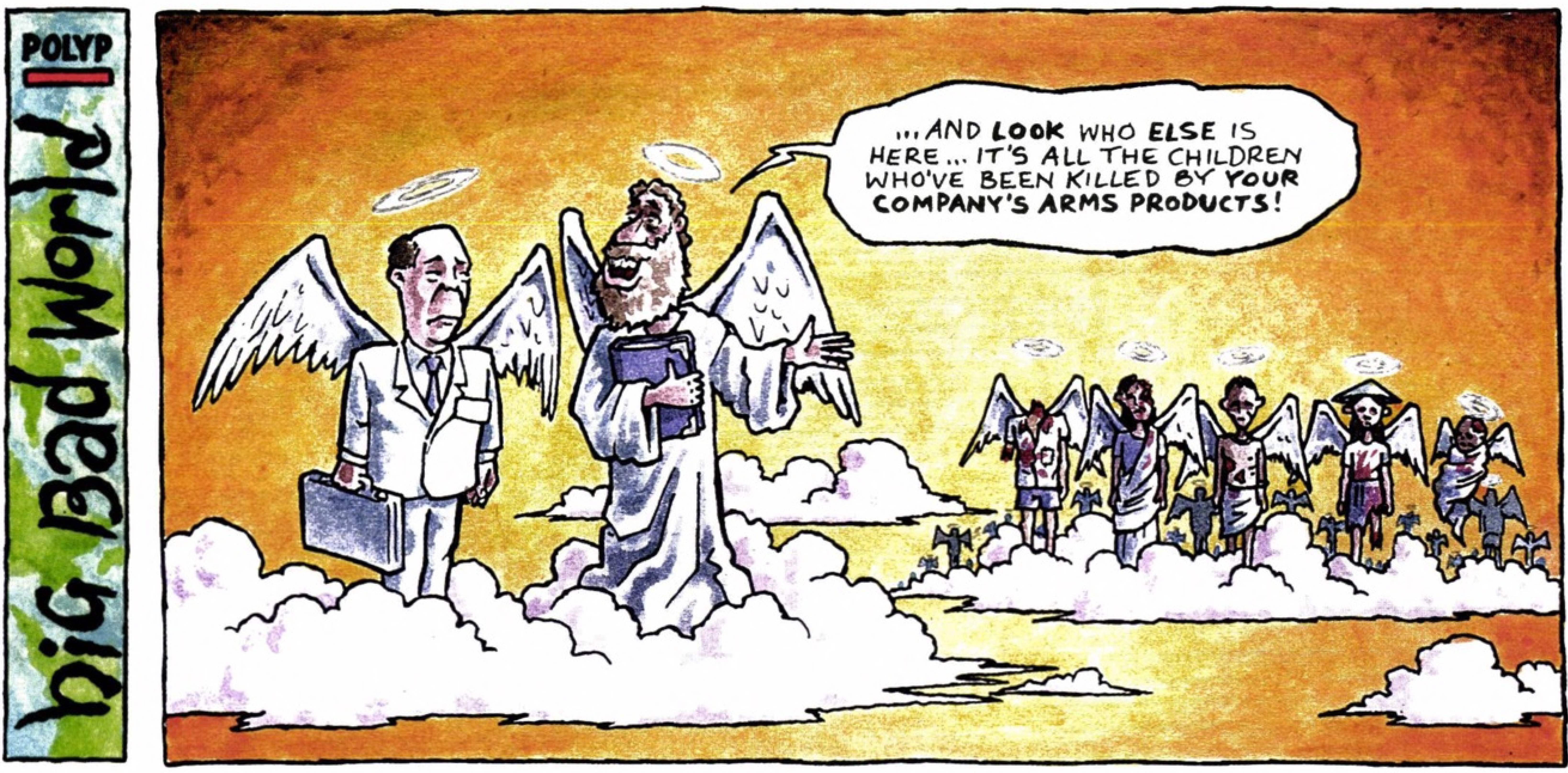
Despite the overwhelming evidence of slavery unearthed through the endeavours of CSI, other non-governmental organizations and some UN bodies, the National Islamic Front (NIF) regime continues to deny its existence. The NIF has stonewalled demands for independent international investigation into the allegations of the regime's own involvement in the slave trade. CSI has reissued its appeal to the UN and the international community to investigate and put an end to slavery in Sudan.

The *Sudan Democratic Gazette* reported that interviews conducted by CSI with the freed slaves revealed a catalogue of atrocities committed against them by their Arab masters. These included: throat slitting, death threats, female genital mutilation, forced conversion to Islam, rape, beatings, floggings and unpaid labour. The slaves revealed that they had been captured by the NIF regime's armed forces and the Arab tribal militias allied to the regime.

Most of the slaves were women and children and a majority of them were Christians or animists. The armed forces of the Government of Sudan view Christian and animist black African slaves as one of the most potent instruments of its *jihad* (Islamic Holy War) against the communities that resist its totalitarian policies.

CSI's International President, the Reverend Hans Stuckelberger, has again appealed to the UN Secretary-General Kofi Annan, and the High Commissioner for Human Rights Mary Robinson to intervene urgently, launch an impartial investigation into slavery in Sudan and to call upon UNICEF to establish a slave-tracing and retrieval programme in Sudan. But so far the UN has only passed resolutions condemning the acts of slavery and has not taken concrete measures to end it. ■

***Newslink Africa* Vol 17 No 9**


big Bad World
POLYP
...AND LOOK WHO ELSE IS HERE... IT'S ALL THE CHILDREN WHO'VE BEEN KILLED BY YOUR COMPANY'S ARMS PRODUCTS!

Update

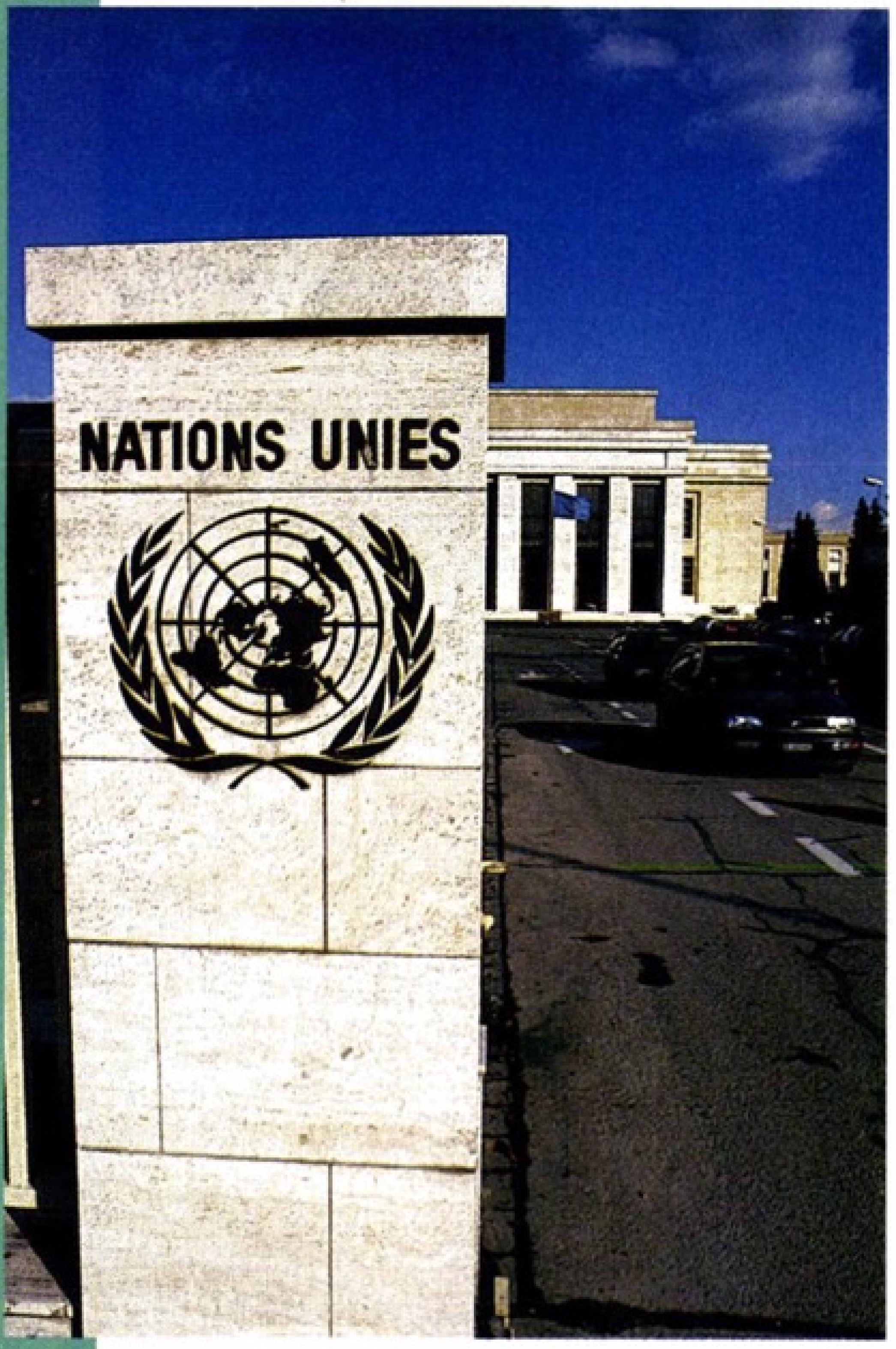
MULTINATIONAL CORPORATIONS

Whispers behind closed doors

Corporate links with the UN are kept secret

A secret conference in Geneva has raised curiosity about business involvement with the United Nations. The Business Humanitarian Forum, held in a luxury hotel behind closed doors, involved aid organizations, the UN and corporations. The advance press release announced that the Forum would look at corporate co-operation in helping countries that have suffered conflicts or natural disasters.

But the impression that all was not quite right was reinforced by the secrecy of the gathering. Thérèse Gastaut, chief spokeswoman for UN Secretary-General Kofi Annan in Geneva, knew nothing about the Forum in late January. And the invitation said all media would be strictly excluded to 'facilitate open discussions'.



HOWARD DAVIES / PANOS

The list of participants suggested what there might be to hide. It included: the president of United Technologies Corporation, the world's biggest military contractor; the vice-president of Nestlé, the company trying to destroy the World Health Organization (WHO) marketing code for infant formula – violations of which kill 1.5 million infants every year; the manager for international and government affairs of Rio Tinto, the world's largest mining conglomerate; and finally there was the manager of the Corporate Social Responsibility Programme of the World Business Council for Sustainable Development – its working group on corporate responsibility was set up and run by Rio Tinto and Shell.

According to the final leaked statement of the day's work, the Forum established itself as an association under Swiss law, with an initial annual budget of $250,000. The first item on the agenda is creating a data base on humanitarian works. For multinational corporations this information is useful as it means they can direct funds into areas where they do business. While the Forum was taking place, other events shed light on its purpose. One was the WHO executive board meeting, where the Director-General deplored governments' refusal to raise his own budget to compensate for loss of purchasing power caused by inflation. This is part of a general trend: less and less government spending, especially for anything in the social sector. The WHO shortfall means looking to commerce for funding.

The next day the world's business leaders met at Davos in the Swiss Alps to discuss *Responsible Globality: Managing the Impact of Globalization*. In an echo of the Business Humanitarian Forum, one working group concentrated on 'What Does Corporate Social Responsibility Really Mean?' The answer was already given in the programme description of the workshop: 'Companies are legally responsible to shareholders.' If the Business Humanitarian Forum has its way, the pursuit of shareholder profits will dictate aid allocations and minimum corporate responsibility. ■

Robert James Parsons/Gemini News Service

Looks matter in Iran

A British High Court case will decide whether homosexuals are a specific group under the 1951 Geneva Convention on Refugees and therefore can claim asylum. Mherdad Jawwdat is bringing the case to court after a special immigration adjudicator said he could return to Tehran so long as he changed his looks, wore his hair short and avoided wearing make-up on the street. Charles Bennett, the adjudicator, ruled that even if the police in Iran recognized him as someone they had accused of being gay, 'they will see him with short hair and conclude (to their thinking) he has seen the error of his former ways, or turned from what they will consider his former wickedness, or that he has simply "grown up"'.

Jawwdat's lawyer, Mark Henderson, told the High Court that the Iranian authorities regarded gays as 'corrupt parasites', a 'tangible manifestation of Westernization' and that homosexuals are punished by torture and even death. Mark Watson of Stonewall, the gay-rights lobby group, says: ' The Nazis thought gays were a separate social group and persecuted them. If the Nazis recognized them as a separate social group, then we should have no difficulty in recognizing them as such.'

CIS NEWS

Lost paradise

Alex Garland's book, *The Beach*, is being made into a movie starring Leonardo DiCaprio in less than idyllic circumstances in Thailand. 20th Century Fox has bulldozed large portions of Maya beach and its surrounding vegetation on Phi Phi Leh island and replaced it with 100 non-native coconut palms. This has caused erosion and locals are worried about how much of the beach will be left after the oncoming monsoons. Phi Phi Leh island is a national park. But Thai activists say that the Royal Forestry Department has ignored national park regulations as it has been bought off by 20th Century Fox who paid the government 4 million *baht* ($149 million). To take action write a letter to producer Andrew McDonald: c/o Carol Sewell 10201 W Pico Blvd, Building 89 Room 224, Los Angeles CA 90035 or see: www.wildrockies.org/wve/beach.htm

CHRIS CALDICOTT / STILL PICTURES

No justice for women in jail

The US has been condemned for its treatment of female inmates. Among the information in a report by Amnesty International, *Not part of my sentence: Violations of the Human Rights of Women in Custody*, is the fact that in 13 states it is not illegal for prison guards to have sex with inmates; around 41 per cent of guards in women's prisons are men; and men make up 72 per cent of guards in female prisons in Kansas, 66 per cent in California and Idaho but only 4 per cent in Louisiana. Legal contraband searches have been described by female inmates as 'legalized sexual molestation'. But widespread sexual abuse is difficult to prosecute because female prisoners who make complaints are vulnerable to intimidation by male guards.

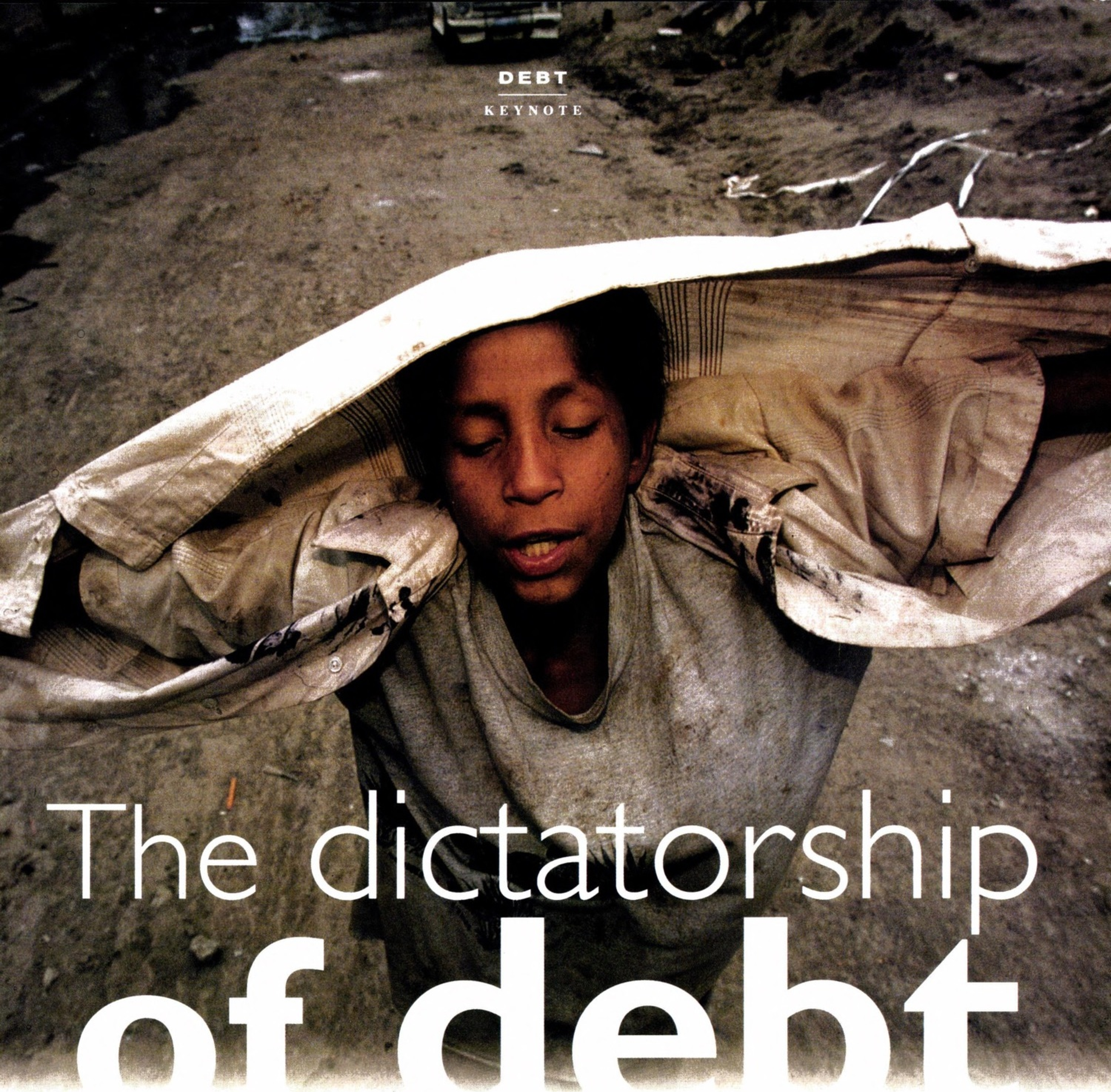
Only 25 per cent of women are incarcerated for violent crime and studies illustrate that women imprisoned for violence tend to have been responding to abuse.

For more information see Amnesty International's website: www.amnesty.org.uk

Quote

‘ Oh, look. There are finally two people swimming in the Peninsula hotel's pool. It must be the barman and the waiter.’

Kurt Wachtveitl, General Manager of the Oriental Hotel in Bangkok, commenting on the recession's impact on tourism.



The dictatorship of debt

Third World debt enriches the powerful at the expense of the world's poor majority. **David Ransom** calls for a new beginning.

HAD someone in any way typical of the Uruguayan population ever actually *asked* for a loan from the international bank in Montevideo where I once worked, I'm quite certain they would never have got it. The mere look of them would have been enough. A part-time clerk wants an *advance*! A labourer with no collateral expects *credit!* A woman from the *barrios* seeks an unsecured *loan*! A *gaucho* (cowboy) with just a horse to his name needs to *borrow*! From the *bank*? Contemptuous ridicule would have been unconfined – which is doubtless why I never saw such a person step through the door.

So quite how it happened that by 1990 every single man, woman and child in Uruguay had become liable for debts equivalent to their entire annual income – without even asking for them, let alone receiving any of the cash – is at first sight something of a mystery.

Take a closer look, however, and you'll find that the explanation is simple. In 1973 there was a military coup in Uruguay and it ushered in a very nasty little dictatorship that for a while imprisoned proportionally more people than anywhere else on earth. The Uruguayan economy had gone belly-up and powerful people who owed large sums of money to international banks were facing ruin. So the generals decreed that it

NIGEL DICKINSON / STILL PICTURES

was 'in the national interest' to bail them out by borrowing from exactly the same banks, only this time in the name of the Uruguayan people.

The banks were desperate to lend. The Organization of Oil Producing and Exporting Countries (OPEC) had just agreed a sharp oil-price hike and as a result were collecting a vast extra income of dollars which they deposited with the banks. So large was the quantity of these 'petrodollars' that the banks didn't know quite how to recycle them at their usual levels of profit. Dictatorships that could exact repayments from their cowering populations with relative ease must have seemed like a pretty good bet for a secure and handsome return.

This combination of dictatorship, foreign loans and the transfer of private liabilities on to public backs was not confined to Uruguay. For 20 years, between the mid-1960s and mid-1980s, despotism pervaded Latin America and employed an ingenious variety of scams wherever it went. Sometimes the money was borrowed for grandiose projects, sometimes it was simply filched, usually both – and always in the interests of political power that had quite openly been usurped.

Similar, too, was the experience across Africa and Asia. From Mobutu in Zaire to Suharto in Indonesia and Marcos in the Philippines, tawdry despots with powerful friends and large appetites for personal wealth were financed with enthusiasm by the international banking fraternity. Indeed, it seemed to work so well that the credit lines became almost limitless – particularly if the governments in question were fighting on the right side of the Cold War and buying large quantities of armaments from Northern suppliers. Third World debt rose from less than $100 billion in 1970 to some $600 billion in 1980.

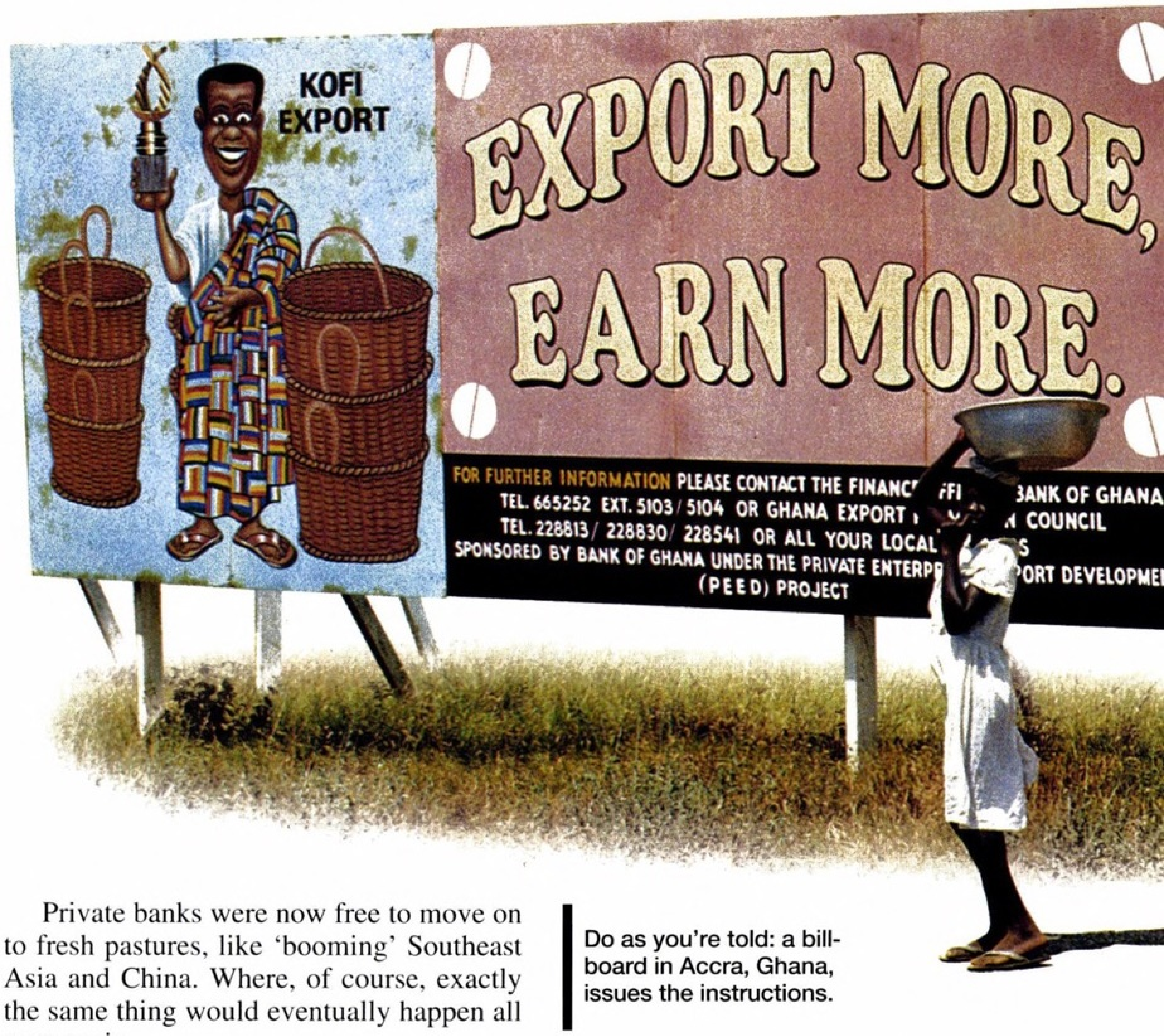
Eventually, however, governments began to run into financial trouble themselves. The loans they had raised and squandered on daft projects or salted away in private bank accounts became so large that their subject countries ran out of foreign exchange and tax revenues with which to pay them back. There was a real danger of 'default'.

CITIBANK
CITIBANK
CITIBANK
CITIBANK
CITIBANK

PAUL SMITH / PANOS PICTURES

A bed of nails behind the bank in Mumbai (above); a fugitive from Hurricane Mitch and structural adjustment in Nicaragua (previous page).

When this was being considered by Mexico in 1982 the American Government stepped in to protect the interests of the US private banks that held most of the Mexican debt. The International Monetary Fund (IMF) and World Bank were instructed to step in alongside the US Government and bail out the private banks. The transfer of private debt into public liability was thereby complete – and the Third World debt crisis had begun.


KOFI EXPORT
EXPORT MORE, EARN MORE.
FOR FURTHER INFORMATION PLEASE CONTACT THE FINANC
BANK OF GHANA
TEL. 665252 EXT. 5103/5104 OR GHANA EXPORT
COUNCIL
TEL. 228813/ 228830/ 228541 OR ALL YOUR LOCAL
SPONSORED BY BANK OF GHANA UNDER THE PRIVATE ENTERP
ORT DEVELOPME
(PEED) PROJECT

Do as you're told: a bill-board in Accra, Ghana, issues the instructions.

Private banks were now free to move on to fresh pastures, like 'booming' Southeast Asia and China. Where, of course, exactly the same thing would eventually happen all over again.

Ironic that this, the most colossal of all 'nationalizations', should have passed by unremarked and at a time when 'privatization' was an article of economic faith. Odd, too, that unlike earlier nationalizations intended – in theory at least – to *increase* public control over private interests, this one had precisely the opposite effect. It subjected the people of these countries to a dictatorship so complete that eventually dictators themselves became redundant.

All of this rested on a crude threat. Unless debtor governments agreed to certain conditions, then they would be cast into the outer financial darkness and new loans would be withheld. These conditions were originally cobbled together for the 'Baker' and 'Brady' plans in Mexico, named after the two US Treasury Secretaries who devised them. They were then touted around the world as the paradigm of financial probity and became known as 'structural adjustment'. Their main purpose was to 'liberalize' the country in question: devalue its currency, open it up to world markets, reduce government intervention and flog off as many of its assets as possible at bargain-basement prices.

The theory was that this would increase prosperity so that debt would no longer be a problem. But the 1980s were the 'lost decade' for most of the Third World, and their economies didn't grow. Third World debt doubled to almost $1,600 billion ($1.6 trillion) by 1990. An ever-increasing proportion of it was simply to pay off old debt and keep the system up and running.

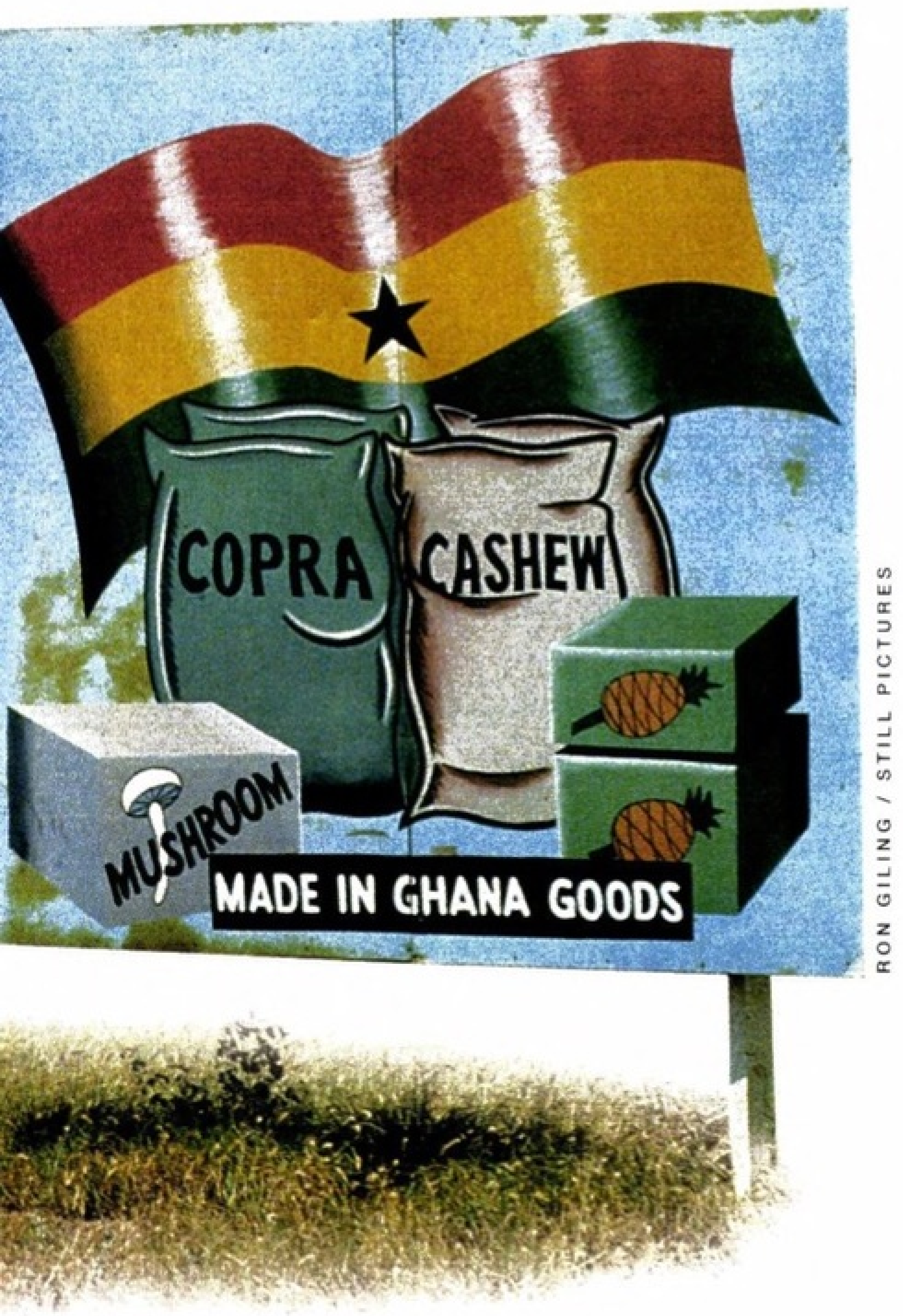
The 'conditionalities' of structural adjustment meanwhile diverted government revenues away from things like education and healthcare, towards debt repayment and the promotion of exports. This gave the World Bank and IMF a degree of control that even the most despotic of colonial regimes rarely achieved. The situation has remained essentially unchanged ever since.

So we are left with a bizarre and degrading spectacle. Today in Ethiopia a hundred thousand children die annually from easily preventable diseases, while debt repayments are four times greater than public spending on healthcare. In Tanzania, where 40 per cent of people die before the age of 35, debt payments are six times greater than spending on healthcare. From the whole of Africa, where four in every ten children of primary-school age are not in school, governments transfer four times more to Northern creditors in debt payments than they spend on the health and education of their citizens.[1]

Truly dreadful things are being done in the name of debt repayment which would otherwise have to be recognized for what they are: the grossest abuse of even the most elementary requirements of human dignity.

The legitimacy of large chunks of Third World debt is doubtful for more subtle reasons, too. For example, natural disasters have a much more devastating impact on poor countries like Honduras or Bangladesh than on rich ones like the US or Japan. More people die, more livelihoods are destroyed and fewer people can afford any kind of insurance. So economic recovery is much more difficult and slow. It makes no sense at all for the reconstruction of such countries to be further delayed, and the devastation compounded, because they are paying out more to service foreign debts than they will ever receive in emergency aid.

The economics of debt are shot through with flaws, though they tend to be



RON GILING / STILL PICTURES

Drop the debt:

There are 52 countries that the Jubilee 2000 Coalition believes should have their external debts cancelled to mark a fresh start for the new millennium. They are poor, often desperately so, and repayment is making them poorer still.

In 1996 there were 984 million people living in these countries. Each man, woman and child then had an average foreign debt of $377, and yearly income of just $425. Foreign debt was larger than annual income in 31 of them.

The World Bank and IMF classify 40 (not marked *) as 'Heavily Indebted Poor Countries' (HIPCs) that now qualify for debt-relief. Since the process began in 1996 no country has yet emerged from it, while the total of their debt has continued to grow. Other countries, like Indonesia, may be about to fall into the same category, as the effects of the Southeast Asian crisis spread and deepen.

1996	GNP per person $	Debt per person $	Debt as % of GNP
São Tome & Principe	315	2,008	637
Mozambique	89	336	376
Nicaragua	372	1,318	354
Guinea-Bissau	242	852	350
Somalia	92	290	315
Angola	320	983	307
Sudan	221	636	288
Congo, Rep	817	2,278	279
Guyana	829	2,039	246
Zambia	350	757	216
Liberia	351	753	215
Congo, Dem Rep	138	292	212
Côte d'Ivoire	662	1,332	201
Mauritania	545	985	181
Ethiopia	105	178	168
Tanzania	189	245	130
* The Gambia	324	411	127
Sierra Leone	205	259	126
Lao PDR	379	462	122
Yemen, Rep	353	424	120
Mali	292	339	116
Equatorial Guinea	608	705	116
Vietnam	318	364	114
Cameroon	634	715	113
Honduras	657	730	111
* Malawi	214	229	107
Madagascar	269	282	105
Togo	339	357	105
* Nigeria	279	281	101
Burundi	184	185	101
Ghana	354	354	100
* Jamaica	1,714	1,616	94
Central African Rep	315	281	89
Chad	177	156	88
Guinea	565	484	86
Bolivia	864	699	81
* Burma/Myanmar	115	92	80
Niger	213	169	79
Rwanda	165	129	78
Kenya	283	217	77
Benin	387	285	74
Senegal	584	426	73
* Zimbabwe	628	435	69
* Cambodia	318	215	68
* Morocco	1,290	789	61
Uganda	285	172	60
* Nepal	206	110	53
Bangladesh	264	134	51
Burkina Faso	248	127	51
* Peru	2,475	1,216	49
* Philippines	1,239	586	47
* Haiti	357	123	35

Source: World Bank, Jubilee 2000

CHRIS STOWERS / PANOS PICTURES

Counting the cost of economic chaos in a queue for rice in Jakarta, Indonesia.

dismissed as 'unintended' consequences. For example, a crude 'adding-up problem' arises when cash-strapped countries are all instructed by the IMF to promote commodity exports at the same time. The entirely predictable result is that the world price of commodities collapses and the environment is vandalized. Lasting damage is done to the world's non-renewable resources without any economic gain for poor countries.

At some point you have to stop and ask yourself: what has really been achieved by all the years of 'structural adjustment', other than vast areas of economic devastation? The fiasco has become much more conspicuous because of the financial chaos that overtook Southeast Asia in 1997. Such theory as there was to structural adjustment relied heavily on the appeal of an 'Asian Tiger' economic model that has now simply disintegrated. The structure was adjusted – and then promptly collapsed.

Meanwhile, Third World debt continues to increase relentlessly. By the end of 1997 it exceeded two *trillion* dollars – and to this will now have to be added several hundred billions more from the various crises in Southeast Asia, Russia and Brazil. There could be more to come. No-one seems to know where it will end, though everyone knows that it cannot continue.

And so apostasy has become the new orthodoxy. One by one the apostles of structural adjustment have renounced a religion they once proselytized with ruthless zeal. Even Jeffrey Sachs, the high priest from Harvard who made articles of faith out of free-market nostrums in Eastern Europe, now recants: 'Many of the three billion of the world's poorest live in countries whose governments have long since gone bankrupt under the weight of past credits from foreign governments, banks and agencies such as the World Bank and the IMF. These countries have become desperate wards of the IMF... Their debts should be cancelled outright and the IMF sent home.'[2]

In 1996 the IMF and World Bank finally conceded what they'd never been prepared to concede before: that perhaps some of the debts owed to them by the very poorest and most indebted countries in the world might eventually have to be written off. The Heavily Indebted Poor Country (HIPC) Initiative was born and a list of some 40 countries thought to fall into this category was drawn up.

The intended purpose of the HIPC Initiative is to reduce debt to a 'sustainable' level – what the IMF and World Bank dictate that a country can afford to pay. This level is fixed by a number of measures, including the size of debt repayments compared with exports or government revenues. These measures of 'sustainability' are, however, extremely severe: 20-25 per cent of export earnings for the HIPCs, which is more than double the ratio applied to Germany after the Second World War.[3] And the proposed 'relief' often makes little difference in practice, since for the most part it merely discounts debts that were not being paid anyway.

No-one seems to know where it will end, though everyone knows that it cannot continue

But there is another much more fundamental objection to the initiative. Far from dismantling structural adjustment, the HIPC Initiative actually strengthens it. Absolute compliance with its most stringent requirements must endure for six unbroken years before any actual 'relief' will be considered. As a result, no more than a handful of countries will have benefited in any way by the year 2000 – while a great many more of the HIPCs will be even more firmly in the grip of structural adjustment than they were before.

The HIPC Initiative, though it may be an important departure, is not the destination. The suspicion arises that its purpose is less to minimize than to *maximize* the 'sustainable' levels of debt repayment; that perhaps rich governments, their tools at the IMF and World Bank, and their clients from the private banks, actually *prefer* debt bondage to remain in place, precisely because of the control it gives them over debtor countries.

If this is so, then the consequences will be felt by the poor into the indefinite future. What they want, and desperately need, is for despots, whether they come in the shape of dictators or delegations from the IMF, to get off their backs.

And debtor nations do have a great deal more power than they are encouraged to believe. What lenders fear above all else is the prospect of collective default. You can tell this from the history of Third World debt. When the system is threatened – as during the crisis of 1982 and before the HIPC initiative of 1996 – then creditors move fast to keep the game in play.

Those rules now have to be changed decisively in favour of the world's poor majority, who have suffered enough. The campaign for an orderly, complete and unconditional cancellation of Third World debt is the best and probably only chance we have of reaching the UN target for poverty reduction by 2015 – and to avoid a bleaker nightmare of the kind that has already descended from the storm clouds of high finance on to the people of Indonesia, Russia and Brazil.

Can we afford it? Well, if several hundreds of billions of dollars could be found within months to fend off the crisis in Southeast Asia, a mere $200 billion to cancel the illegitimate debts of the world's poorest people is clearly not beyond our means. So a new contract must be offered in all humility from the North to the South: unconditional debt cancellation where there is democratic control; the prospect of unconditional cancellation where it remains to be established. And, to start the ball rolling, cancellation for the HIPCs in the Jubilee Year 2000.

And let this contract be, for once, written in the South for the South. Let 'civil society', that enormous network of trade unions, human-rights groups, farmers, homeless and landless people who have struggled so long to free themselves from a truly dreadful dictatorship, take an active part in the process. Only then will there be an unequivocal break with the past or any assurance that the poor majority will be freed from the bondage of debt once and for all. ■

---

[1] 'Making debt relief work', Oxfam position paper, April 1998. [2] *The Independent*, London, 1 February 1999. [3] *We've been here before* by Joseph Hanlon, 1998 (UK Jubilee 2000 Coalition).

DEBTSPEAK

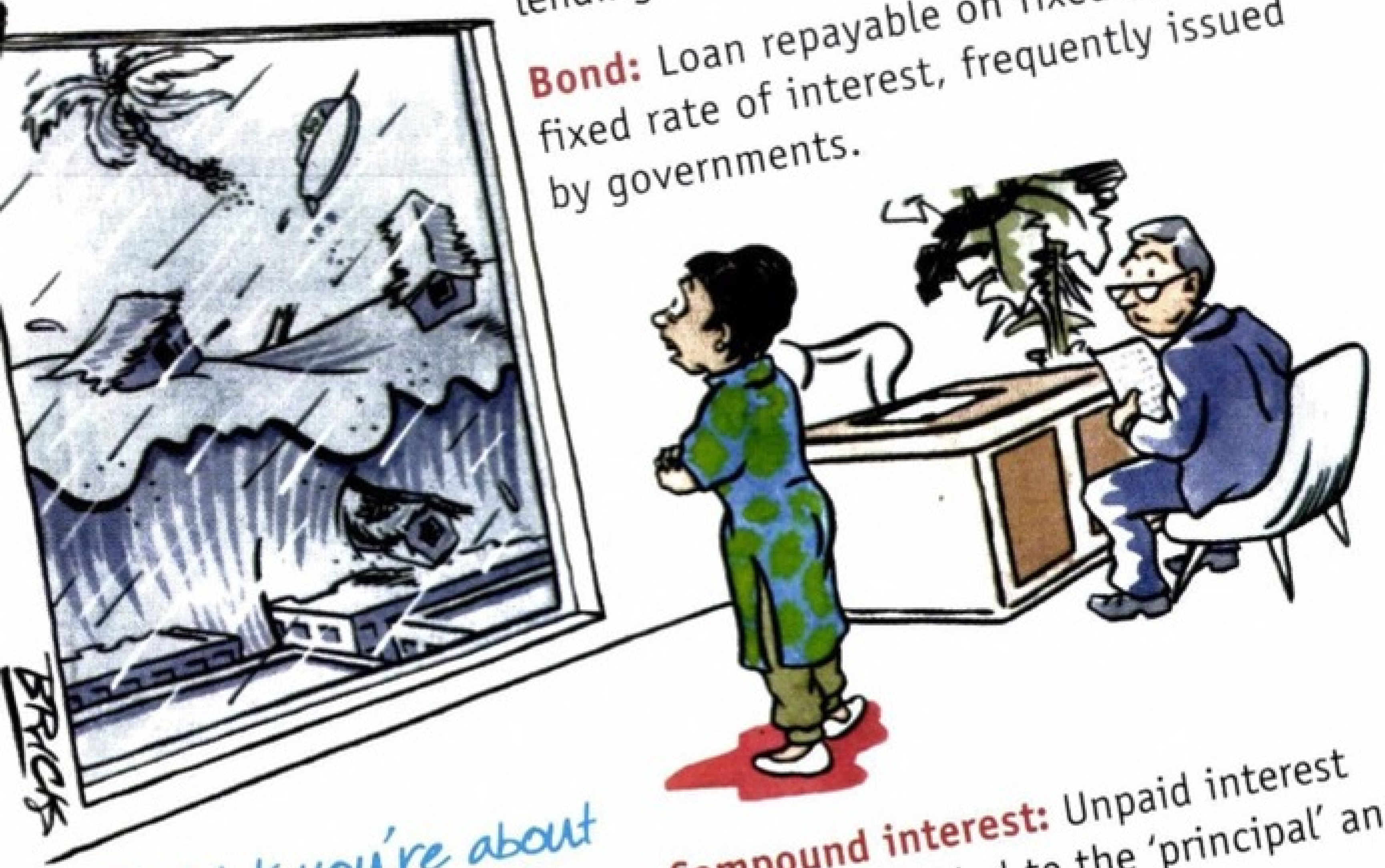
contagion adjustment liquidity debt/export ratio

An **NI** pocket guide to the language of loans.

Adding-up problem: What results when many countries increase their exports of a commodity (like sugar) at once so that, when they're all added together, they cause a glut on world markets and the price falls.

Bilateral: Government-to-government lending.

Bond: Loan repayable on fixed date with fixed rate of interest, frequently issued by governments.



"I think you're about to meet our liquidity problem".

Compound interest: Unpaid interest charges are added to the 'principal' and interest is charged on both.

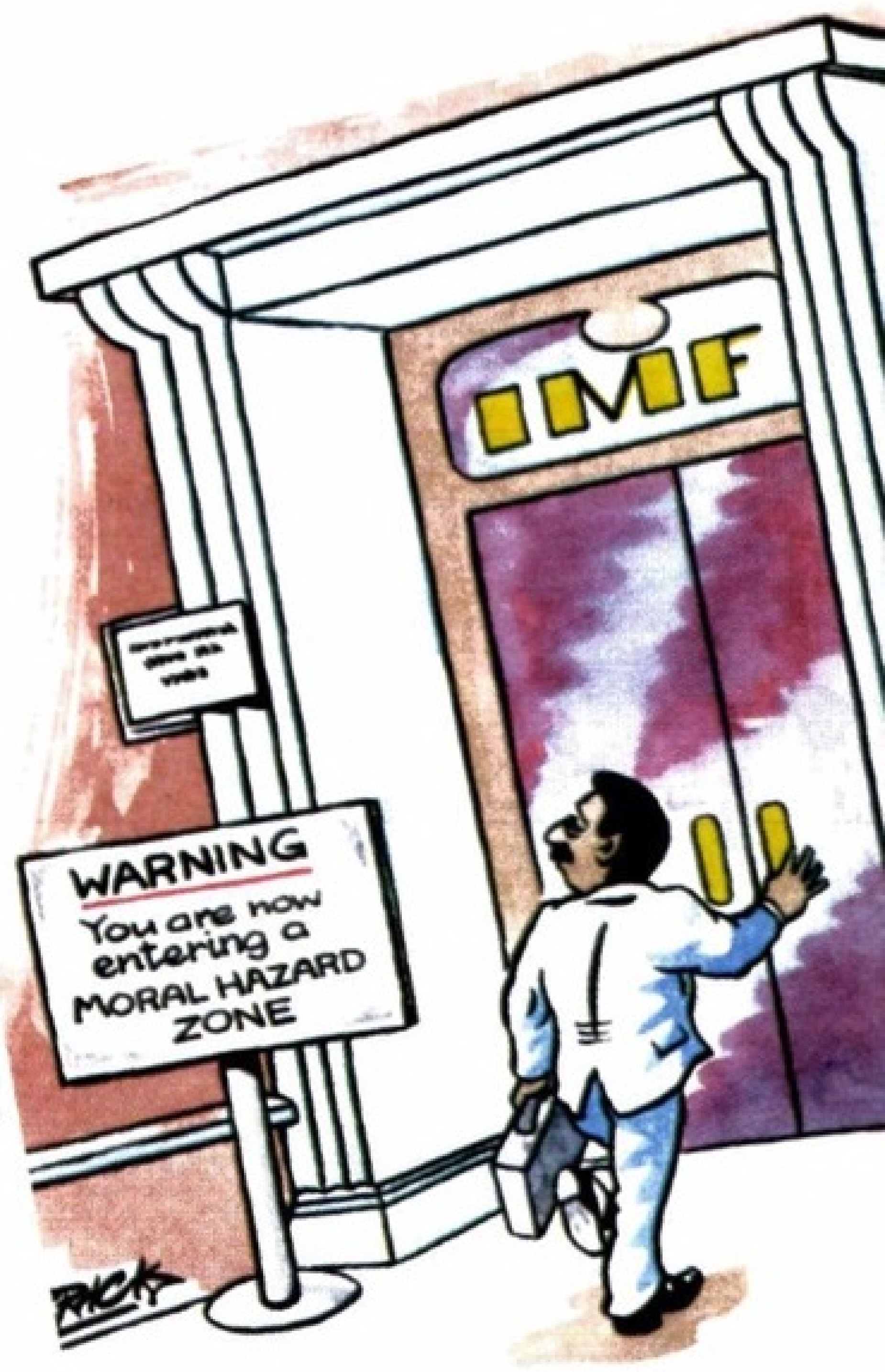
IMF: International Monetary Fund, based in Washington DC and originally intended to iron out financial imbalances between nations – now the police of national economic policies.

Liquidity problem: Not enough foreign currency to meet immediate debt-service payments.

Maturity: Date by which loan is repayable.

Moral hazard: Said to be incurred when an insurance policy encourages, or fails to discourage, the risk it covers. So, for example, someone with a fire-insurance policy might not bother with fire prevention. This argument is now used against debt cancellation, on the grounds that it would lead to even worse lending and borrowing habits in future.

Multilateral: Lending by international financial institutions, principally the World Bank and IMF.


IMF
WARNING You are now entering a MORAL HAZARD ZONE
BRICK

Conditionalities: Extra requirements other than repayment (such as 'structural adjustment' policies) demanded by the lender before new loans are granted.

Contagion: Crisis in one country caused by a crisis in another.

Debt/export ratio: Debt service as a proportion of export earnings.

Debt service: Total payments due on loans (repayments plus interest).

Debt stock: Total of all debts.

Default: Non-repayment of loans.

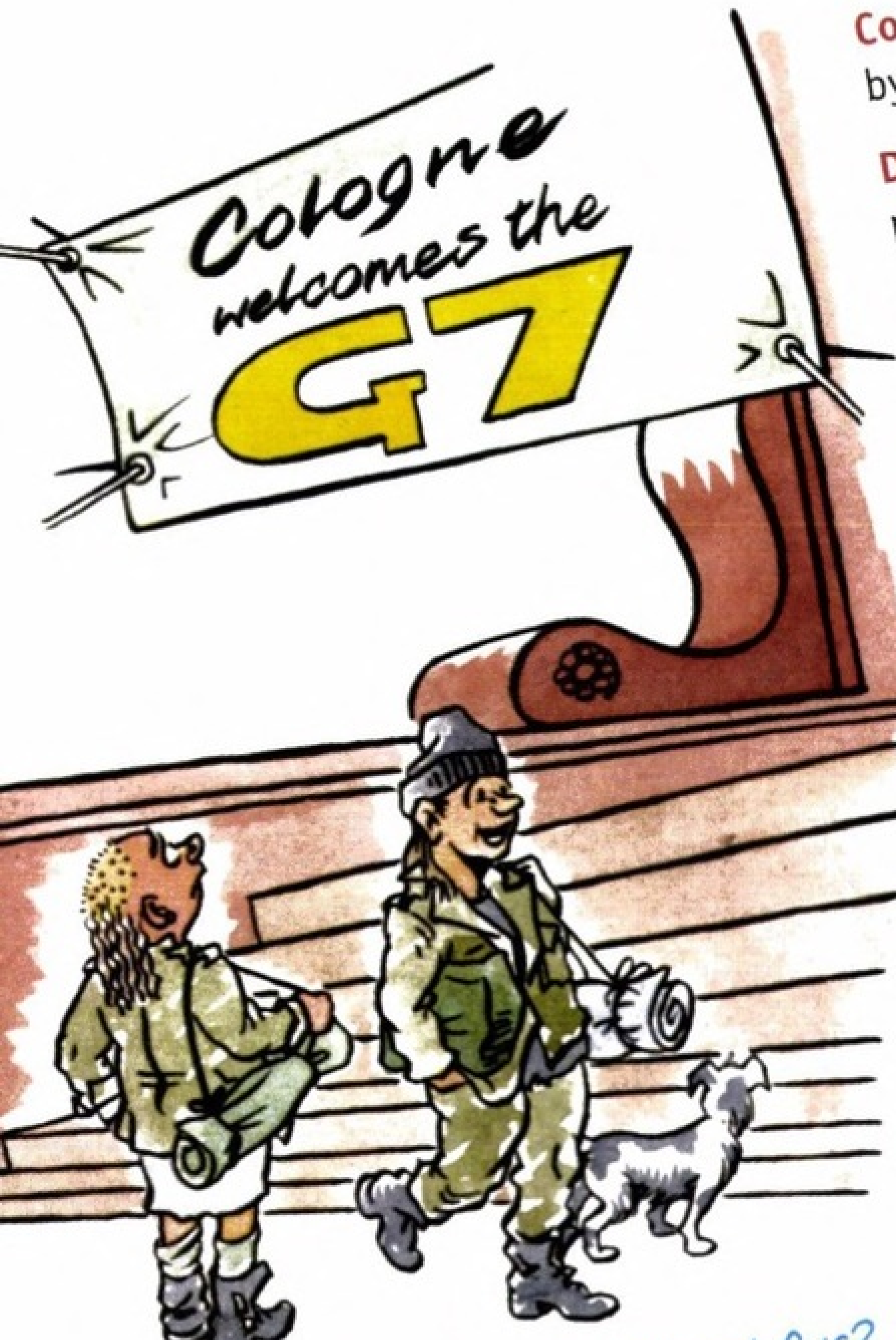
Defensive lending: New loans made to repay older loans falling due, and to prevent default.

G7/8: 'Group of Seven' richest industrial countries – originally Canada, France, Germany, Italy, Japan, Britain and the US. Now also includes Russia.

GDP: Gross Domestic Product – national income, less remittances from abroad.

GNP: Gross National Product – total national income.

HIPC: Heavily Indebted Poor Country Initiative. Launched by IMF and World Bank in 1996 to maximize 'sustainable' repayments from these countries.

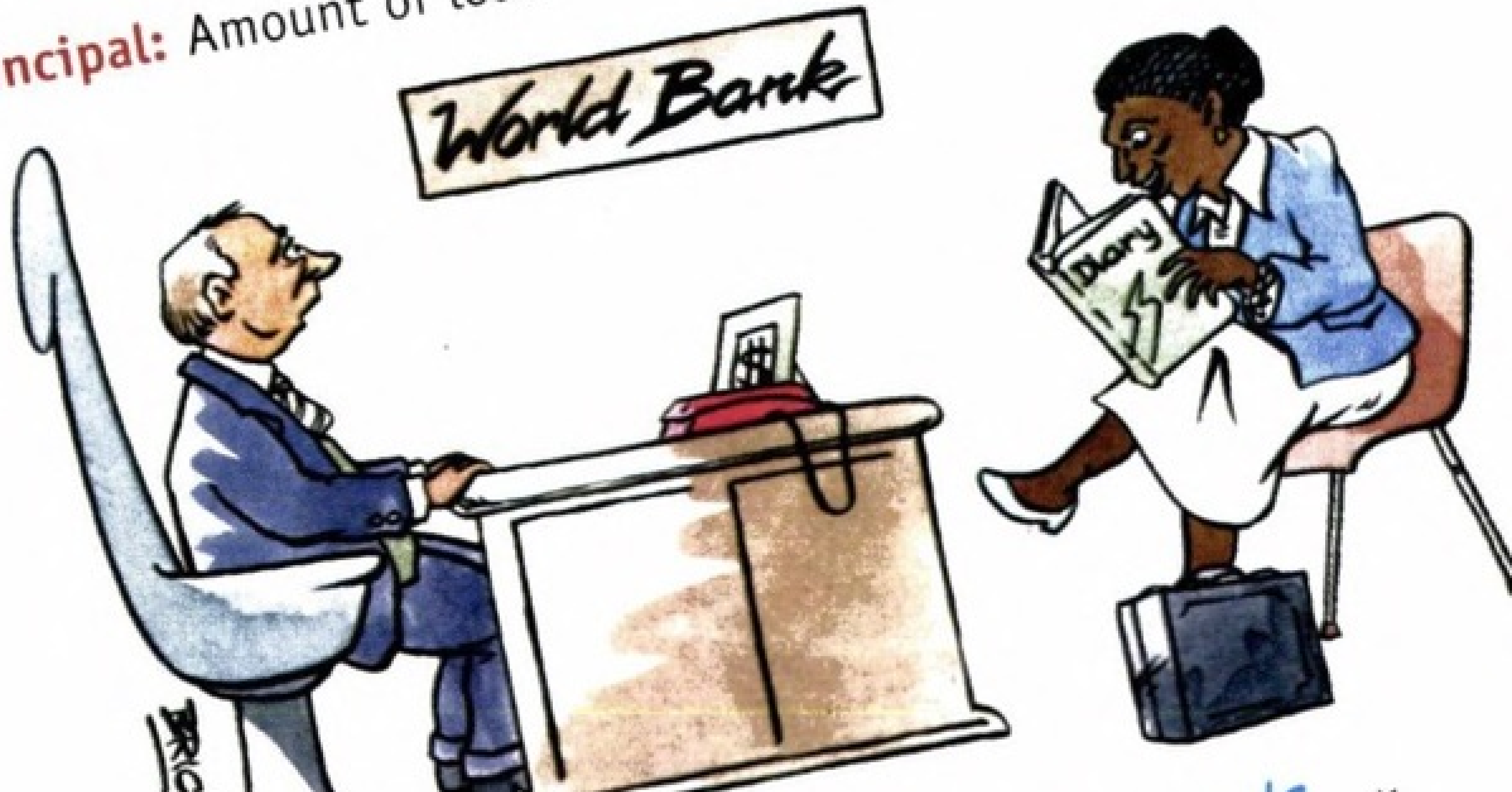


What does the 'G' stand for? ...why, GREEDY!

Overhang: Excess of a country's external debt over its capacity to pay.

Paris Club: Forum for wealthy creditor countries (such as the US, Germany, Japan, France, Britain) to dictate terms collectively to debtor countries.

Principal: Amount of loan.



"Okay, you want to reschedule payments ...let me see ...how about never. Never looks good to me".

Reschedule: Revised timetable for loan repayments, usually granting longer repayment periods and often involving new loans to pay old ones.

Solvency problem: No prospect whatever of debts ever being paid.

Structural adjustment: Free-market policies imposed as a condition for new loans, mostly supervised by the IMF.

ILLUSTRATIONS BY BRICK

Under volc

Hurricane Mitch carved a swathe of destruction across Central America. **Tim Gaynor** wonders whether its effects are any harder for the Nicaraguan people to endure than the damage caused by foreign debt.

MONTHS have passed since Hurricane Mitch roared through Nicaragua, but the physical scars of the disaster remain etched into the landscape. The large gouge cut into the slope of La Casita volcano by last October's landslide is still visible from the western coastal plain. The seven-mile-long slip, now baked to hard clay in the intense heat of the dry season, attracts a steady stream of weekend visitors who come to remember the 1,400 people who died in the hillside villages.

In the weeks immediately after Mitch, the Government recorded a total of 2,400 dead and 850,000 homeless. In addition, more than 30,000 homes, 8,000 kilometres of highway and 70 bridges were destroyed, at a cost of nearly $1.5 billion.

Largely left out of this reckoning, however, were *campesinos* (peasant farmers) living on marginal lands, like those so brutally swept away at La Casita. Tens of thousands of campesinos still live in makeshift refugee camps scattered across western Nicaragua. Most of the survivors are now landless and without the modest funds needed to start over again. Since they contribute little to export earnings their plight tends to be overlooked. But in the months to come it will be acutely felt by all Nicaraguans, who rely on them to provide up to 70 per cent of the staple foods that make up the country's daily diet – such as rice, maize and beans.

PHOTOS: TIM GAYNOR

Hurricane homeless: a family shelter at Nueva Vida camp, Ciudad Sandino.

For these small farmers, says the Nicaraguan monthly magazine *Envío*: 'The rains were simply the straw that broke the camel's back. Those who already had little now suddenly have nothing other than the muddy clothing they had when they fled their flimsy shacks. The difference between what they had before and what they have now is not much. What has changed is that the cameras of the world's media are temporarily focused on them, so they can't be easily disguised behind figures of economic growth or stability.'

Many Nicaraguan commentators welcomed the rapid international response to Hurricane Mitch, but they contrasted it with the continued reluctance to support any change that might bring lasting benefits to Nicaragua's large rural population. Such structural change, *Envío* noted, would 'make development in peace possible for all'.

While working in Nicaragua in 1997 I saw how debt was crippling agriculture, the mainstay of the economy. As a part of my job I had regular meetings with a small Nicaraguan non-governmental organization that lent money to campesinos with holdings of less than four hectares. Passing by the office one day, I was shocked to find the computer, telephones, desks and chairs missing. Everything portable had gone.

The director told me that, in the absence of available bank credit, the project had been forced to borrow from a *prestamista* – a private lender. The lender had called in the loan at short notice, arriving with a warrant to take away whatever collateral would fit in the back of his Toyota Landcruiser. The campesinos' land, held by the project as security, was also under threat.

Nicaragua's external debt repayments stood at $341 million in 1997 – roughly half of all export earnings. As a result there was little credit left over for small farmers. Coupled with a devaluation of the country's national currency, the *cordoba*, this boosted interest rates to between 30 and 40 per cent. It didn't help that the price of cotton, the

The slip at La Casita: 1,400 people buried beneath it.

traditional export crop, was at record lows and that wacky weather from El Niño was also cutting into harvests.

However, an already difficult situation was made worse last February when the International Monetary Fund (IMF) required bank credit to be privatized as a condition of its structural-adjustment loan. A few months later the National Development Bank (BANADES), which had funded rural producers for decades, was closed. Credit contracted further, pushing many smaller producers into the arms of *prestamistas* who charged upwards of 20-per-cent a month on loans. The Government's Rural Development Fund, which was supposed to fill the gap left by BANADES, has yet to come on stream.

Other sectors of the economy were badly effected too. My old friend, Victor Martínez, is a bus driver in the western city of León. I found him at home, pensively fanning himself with the gentle back-and-forth arc of his rocking chair. The small bus that he and his brother Sergio jointly run takes passengers on the cross-town route. But it's been a bad year. Daily turnover fell from $130 in the early 1990s to less than $40 last year.

'More people are walking,' he told me. 'And the passengers we still have tend to pay in small change. They don't have the money to spend on bus travel now.' The drop in earnings cut the brothers' income as well as essential maintenance to the bus. 'We are,' Victor remarked, 'eating the machete.'

Victor's neighbour, Ramiro Munguía, is a cobbler. Normally bright and positive, today he is clearly worried. 'The demand for new shoes has fallen,' Ramiro explained. 'We used to sell forty pairs a week ten years ago. Now we're lucky if we sell five. Customers are either buying cheap imports or they just want repairs.'

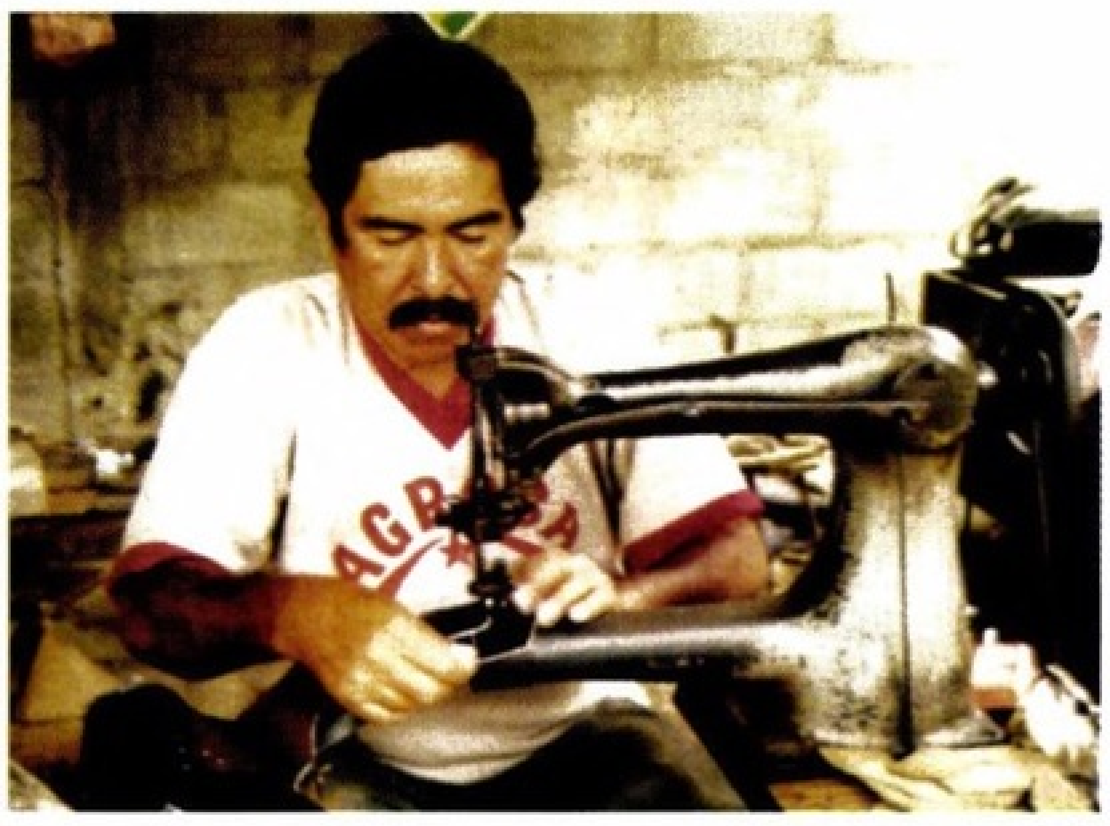
Even though he now makes belts – which his wife Patricia sells in the street markets of nearby Chinandega – the once-successful business no longer earns enough to make ends meet. The Munguías have just one light on in the evening and they leave the refrigerator unplugged to save money. The family gets by on less than $100 a month, which Ramiro earns as a night watchman at a warehouse in town.

For many Nicaraguans the fall in income during the 1990s was accompanied by an increase in the cost of living. This was caused partly by the scarcities that followed El Niño and partly by tax changes imposed by the IMF. For example, a 15-per-cent value added tax (VAT) was added to a range of goods and services in an attempt to shift government revenue from direct to indirect taxes. VAT impacts directly on the poor, since they have to spend a much greater proportion of their income than the rich.

Structural adjustment has been paring away at the income of families like the Martínezes and the Munguías in other ways, too – what the economists call 'cost recovery'. Basic education was previously free in Nicaragua, but parents are now charged around $10 a month for each child – a sum equivalent to the entire weekly income of the poorest. Attendance rates began to decline for the first time at the start of the new school year in February.

The total health budget for 1998 was $88 million – more than four times that amount was spent on debt servicing

Last year, state hospitals started to charge $30 for hospital admissions, together with fees for x-rays, biopsies and a range of laboratory services. While the Health Ministry insists that the charges are 'voluntary', many people are beginning to question whether they can afford to be sick. The total health budget for 1998 was $88 million – more than four times that amount was spent on debt servicing.



Cobbler's complaint: few new shoes are bought from Ramiro Munguía.

Nicaraguans have also seen their home-care costs rise sharply as state utilities – notably telephone, water and electricity – are readied for privatization. To make the state electricity company's balance sheet more attractive, street lighting was added to consumers' monthly electricity bill. When a bulb is broken, residents have to chip in for a replacement which costs around $10. The poorer *barrios* (neighbourhoods) of Nicaragua's cities are now only intermittently lit.

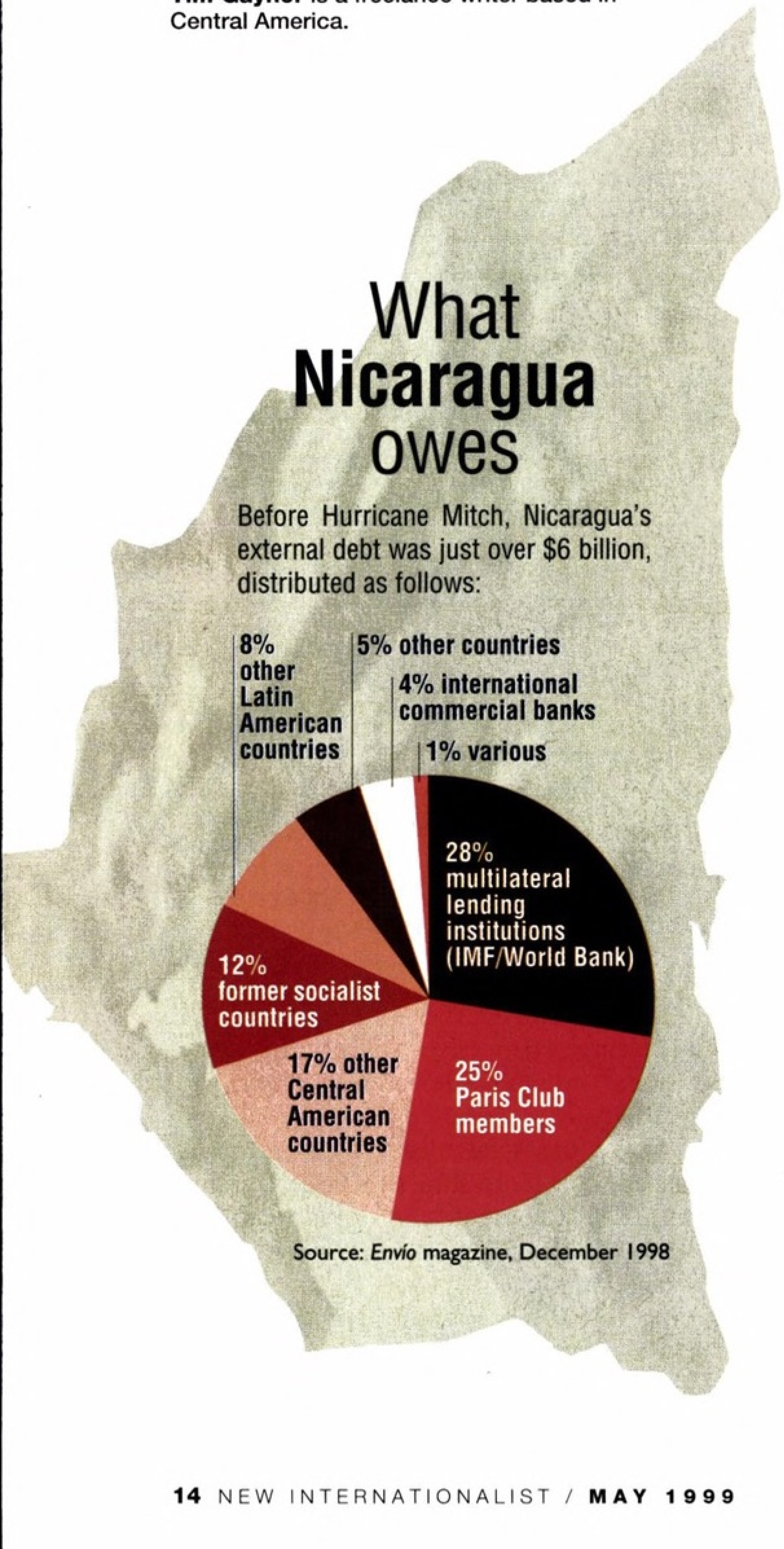
Doctors, teachers and government

employees face an increasingly uncertain future as the IMF calls for the dismissal of some 6,000 state employees. The Health Ministry proposes to 'decongest' the health service and has suggested cutting the number of doctors by more than a third this year, from 1,685 to 911.

Addressing the intimate misery caused by Nicaragua's $6 billion debt will require a wholesale reassessment of priorities. In January 1999 the Latin American section of Jubilee 2000 began to campaign for just this – including the immediate cancellation of Nicaragua's outstanding loans.

What is happening to Nicaraguans now is not the result of either climate or geography, but part of an historical process. As Honduran Archbishop Oscar Andres Rodríguez told the Latin American Jubilee 2000 meeting: 'We must put aside purely economic criteria and look for human solutions. We cannot have a world run solely by the logic of profit.' ■

Tim Gaynor is a freelance writer based in Central America.



What **Nicaragua** owes

Before Hurricane Mitch, Nicaragua's external debt was just over $6 billion, distributed as follows:

Source: *Envío* magazine, December 1998

FINANCIAL MARKETS

Double dealing

Third World debt is one big square on the life-and-death board game known as the world economy. **Ellen Frank** argues that the dice are loaded and the game is fixed.

The Buddha of Bailouts: Federal Reserve Board chairman Alan Greenspan.

AFP

WHEN the Federal Reserve Bank (the 'Fed') last September arranged a $3.6 billion bailout of Long Term Capital Management (LTCM) – a Connecticut-based hedge fund – critics of the US financial establishment cried foul. The bailout contrasted strikingly with IMF treatment of indebted firms in Asia. When indebted businesses in Asia were unable to repay foreign loans, US and IMF officials insisted that they be forced to close and their assets sold off to creditors. Bailing out ailing businesses with endless lines of bank credit was, US officials claimed, the essence of 'crony capitalism' and the cause of all Asia's problems. 'Reducing expectations of bailouts,' declared the IMF, must be step number one in restructuring Asia's financial markets.

To Japanese officials, the LTCM bailout was a clear case of the US 'ignoring its own principles'. Representative Bruce Vento (Democrat, Minnesota), in a Congressional investigation of the LTCM bailout, said that 'there seem to be two rules, a double standard'. But this view is incorrect. Where bailouts are concerned, there is only one standard. Whether in Korea, Thailand, Connecticut or Brazil, US- and IMF-organized bailouts conform to the same guiding principle: whatever happens, whoever is at fault, the wealth of Western creditors must be protected and enhanced.

Until 1997, Western creditors were bullish on Asia and 'emerging markets' generally. They poured billions into stocks, banks and businesses in Thailand, Brazil, Indonesia, Korea, Argentina, expecting mega-returns and a piece of the action as the former 'Third World' embraced free-market capitalism. Beginning in 1997, though, Western investors began to worry that they might have over-lent. They pulled out of Thailand first, selling *baht* for dollars; as the *baht*'s value collapsed, worry turned to panic. Soon, international financial operators were selling *won*, *ringgit*, *rupiah* and *rubles* in an effort to cut potential losses and get their funds safely back to Europe and the US. In the ensuing capital flight, Asian stock prices plunged and the value of Asian currencies collapsed. Local businesses that had taken out dollar-denominated loans couldn't afford the dollar payments to Western creditors.

For a time, local governments tried to stave off default by lending their reserves of foreign currency to indebted firms. South Korea used up some $30 billion in this way. But this money soon ran out. Western banks refused to make new loans or roll over old debts. Asian businesses defaulted, cutting output and laying off workers. As the economies worsened, panic intensified. Asian currencies lost 35 to 85 per cent of their foreign-exchange value, driving up prices on imported goods and pushing down the standard of living. Businesses large and small were driven to bankruptcy by the sudden drying up of credit; within a year, millions of workers had lost jobs while prices of basic foodstuffs soared.

As the crisis unfolded, IMF officials flew to Asia to arrange a bailout, agreeing ultimately to loan $120 billion to Thailand, Indonesia and South Korea. When announcing these loans, the press used terms like 'emergency assistance' and 'international rescue package', leading the casual reader to presume that the money will be spent on food for the hungry, or aid to the jobless. In fact, the money is used to 'help' countries pay back their debts to international banks and brokerage houses. Which international banks and brokerage houses? The same ones who made speculative loans in the first place, then panicked and brought about the collapse of the Asian economies. The IMF rescue packages are intended only to rescue the Western creditors.

The Western financial industry, moreover, has been lobbying heavily for even more secure protection from future losses. One plan, put forward last year by the US and UK Treasuries, envisions a $90 billion fund of public money, supposedly to avert currency crises. The idea is that G7 governments will, henceforth, underwrite the finance industry's speculative ventures into emerging markets before, rather than after, they turn sour. In this way, when bankers and fund managers grow bored with a particular market, withdraw their funds and send the currency into a tailspin, they can collect on their losses immediately, without the tedious and time-consuming delays generated by IMF negotiations.

The industry has also been working overtime to squelch defensive government action against their speculative attacks. At a recent conference in New York City, economist Jagdish Bhagwati noted that the IMF and the US Government, despite repeated crises and heavy criticism, have intensified pressures on countries to lift exchange controls. The IMF recently proposed changing its Articles of Agreement so as to require countries to permit even more freedom for financial speculators. Echoing this sentiment, US Treasury official Lawrence Summers decried efforts by Malaysia, Hong Kong and others to curb foreign lending, calling capital controls 'a catastrophe' and urging countries to 'open up to foreign financial service providers, and all the competition, capital and expertise they bring with them'.

Critics of IMF and US policy have, of course, noted that the combination of free-flowing capital and bailout funds are a boon to banks and other creditors. Such IMF critics as financier George Soros and Harvard's Jeffrey Sachs complain that the game of international speculation and bailout played by the Western financial establishment – in which hot money rushes into a country, then pulls out, leaving behind a wrecked economy to be cleaned up by local governments and G7 taxpayers – is a menace to world economic stability. For the Western financial establishment, however, the bailouts are not the real prize. Nor are the devastated economies of Asia an unfortunate side-effect of a financial scam. They are the whole point of the game. Asia's bankrupt businesses, insolvent banks and jobless millions are the spoils of what economist Michel

The IMF rescue packages are intended only to rescue the Western creditors

Chossudovsky aptly calls 'financial warfare'. The gains to be won from these financial hit-and-runs are immense.

There are, first of all, the foreign-exchange reserves of the target countries. Countries accumulate currency reserves by running trade surpluses, often after year upon year of selling more abroad than they purchase. These surpluses are accumulated at great cost to the working populations, who labor hard to produce goods, destined to be consumed by foreigners. In 1997-98, Asian countries spent nearly $100 billion in accumulated reserves trying – vainly as it turned out – to prevent devaluation. Brazil, the latest country to fall, spent $36 billion defending the *real* against speculators. Thus, in little over a year, did the Western financial élite confiscate $136 billion of hard-won wealth from the emerging markets.

Falling into their own hands on the São Paulo stock exchange, Brazil.

Next, there are the bargains to be had once the target country's currency has collapsed and its firms are strapped for cash. Years of effort, for example, by the Korean élite to keep businesses firmly under control of state-supported conglomerates called *chaebols* were undone in a matter of months. By early 1998, as the IMF negotiated the terms of surrender, Citigroup, Goldman Sachs and other firms were snatching up ownership of Asian banks and industries. With currencies down 15-60 per cent and stock prices down 40-60 per cent, Asia is today a bargain-hunter's paradise. Nor are assets the only bargains to be had. As a direct result of the destruction wrought by global financial interests, the prices of basic commodities have plummeted over the past year. Oil, copper, steel, lumber, paper pulp, pork, coffee and rice can now be bought up by Western firms dirt cheap, an important key to the continued profitability of US industry.

Then there is the higher tribute that countries, once in debt peonage to Western creditors, must pay on both old and new loans. South Korea, for example, under the terms of the IMF bailout, will pay interest on foreign loans that is 25-30 per cent higher than rates on comparable international loans – this despite the fact that the loans have been guaranteed by the Korean Government. Since the crisis began, international lenders have doubled or tripled the interest rates they charge on emerging-market debt. What if such usurious interest cripples the economy and drives the country into default? Well, then they will become wards of the IMF, lender of last resort.

Next, there are the people themselves, engulfed in debt, impoverished and committed by their governments to an endless course of domestic austerity and debt repayment. Like the debt crisis of the 1980s, the Asian crisis has resulted in millions of newly unemployed, whose desperation will pull wages down worldwide. Like the debt crisis of the 1980s, the Asian crisis will turn entire countries into export platforms, where human labor is transformed into the foreign exchange needed to repay Asia's $600 billion debt. In just this past year, Thai rice exports rose by 75 per cent, while Korea has managed to boost its exports and accumulate $41 billion in reserves for debt service. These figures, notes the World Bank, indicate that people in Asia 'are working harder and eating less'.

Finally, there are the governments themselves, the ultimate prizes to be won. It is no accident that conditions imposed by the IMF, with their emphasis on altering state employment, welfare and pension systems, their insistence on reforming the legal and political systems of the target countries, entail a major loss of national sovereignty. Through IMF negotiations, national governments are transformed into local enforcement agents of transnational corporations and banks. IMF officials are quick to point out that the usurped governments often were not paragons of democracy and virtue. This of course is true. But the motives of the IMF are themselves profoundly undemocratic, intended to seize sovereignty and fix the rules of the game and to protect and expand, at all cost, the wealth of the international financial élite. ■

Ellen Frank is Professor of Economics at Emmanuel College, Boston, and a regular contributor to *Dollars and Sense* Magazine.

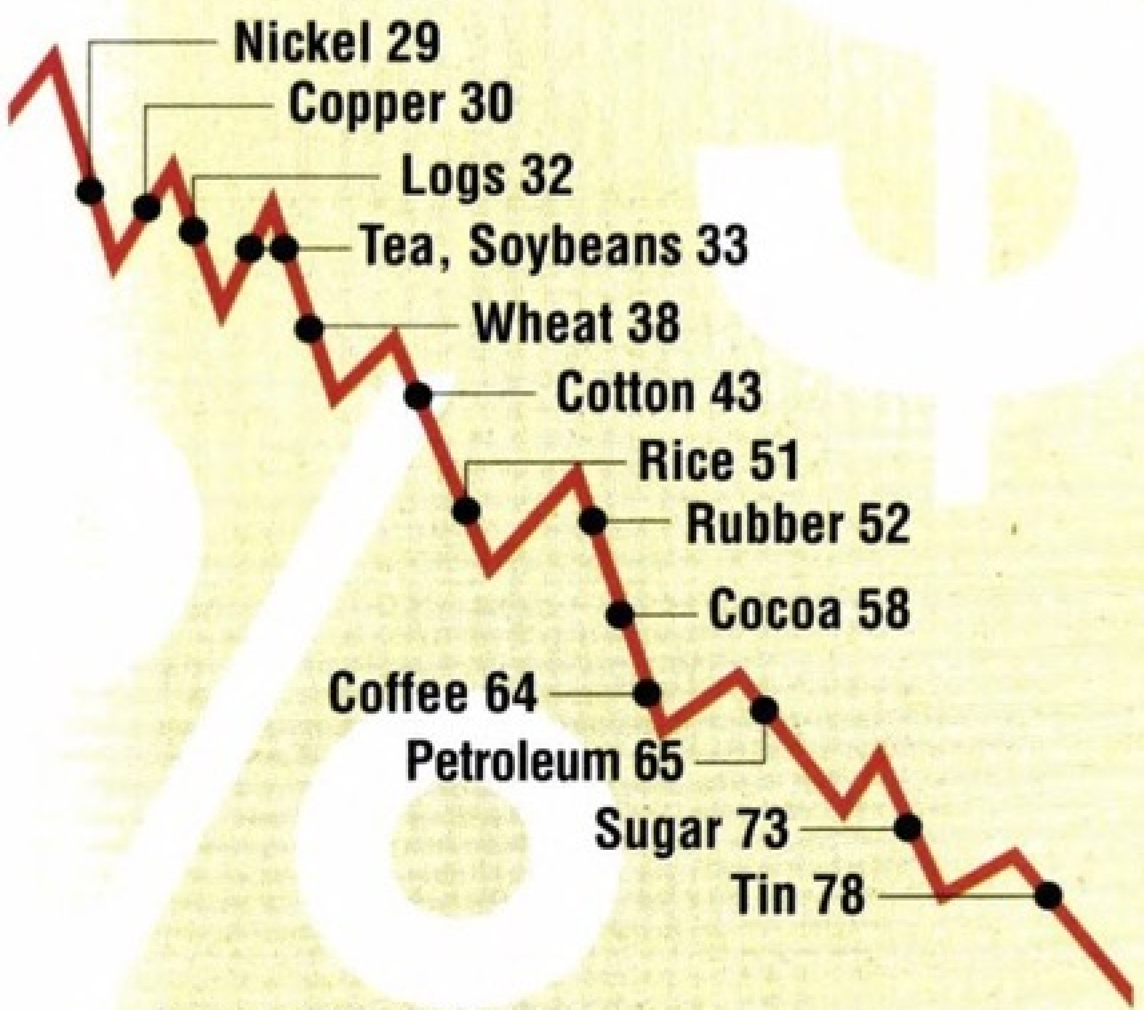
The adding-up problem

Why the environment suffers from debt

Sustainable development requires the conservation of natural resources. One way of doing this is to make them more expensive. In fact, they are getting very much cheaper. World-market prices for raw materials – 'commodities' like oil, timber, sugar, coffee or copper – have fallen to their lowest levels in living memory. This is partly because there is less 'demand' in times of economic recession and partly because of technological change. (Copper wiring, for example, is being replaced by optic fibres and silicon chips.) But it is mostly because of debt in the South, the source of many of the world's commodities. Structural-adjustment policies imposed by the IMF and World Bank mean that poor countries have to earn foreign currency to 'service' their foreign debts, before they are allowed to do anything else. This means exporting the only things they can sell on world markets – raw materials. Because all poor countries have to increase their exports at once, there is a glut on world markets and prices fall – sometimes by as much as a half, so that twice as much has to be exported to earn the same amount of foreign currency. The beneficiaries are the rich countries. They not only get their debts 'serviced', but cheap commodities keep prices down, profits up and inflation under control in the North. The losers are the people of the South – and the global environment.

The downward path

Percentage fall in commodity prices, between 1980 and 1997 (in constant 1990 $)



Source: World Bank

Two-faced copper

Labourers in Zambia and traders on London's Metal Exchange have one thing in common – their livelihood depends on the international trade in metals. But that's where the similarity ends. **Chris Holt** reports on who's really paying for the falling price of copper on world markets.

LEFKATA Jere spends his days breaking big rocks into little ones in Misisi Compound on the outskirts of Lusaka, Zambia. With one hand he wields a four-pound hammer, with the other he steadies chunks of limestone on a rock anvil. Grey dust covers every stretch of his long, stooped limbs. He's 58 years old.

It's nearly two years since Lefkata lost his job – and with it his dignity – as an electrician in one of Zambia's state-owned industries. Now his wife sells homemade fritters, his son goes from door to door recharging batteries – and Lefkata breaks rocks. The family's only regular income is his daughter Patricia's: she brings in $27 a month as a pre-school teacher. 'We worry about hunger,' he says. 'We're suffering a lot here.'

There is stiff competition between stone breakers. Life in Misisi Compound is accompanied by the musical chip-chip-chip of metal on limestone. Those who can't afford hammers crack rock with rock. A week's work may produce a knee-high pile of gravel that can be sold to a contractor for about $8. Sometimes the men with dump-trucks want dirt or sand, which are also sold in mounds at the roadside – usually by someone rich enough to own a wheelbarrow and a shovel. Almost everyone in Misisi is trying to sell something: a pile of tomatoes, a mound of onions, a tiny bottle of cooking oil.

It hasn't always been like this. At independence from Britain in 1964, Zambia was one of the most prosperous nations in sub-Saharan Africa, with fertile soils and abundant natural resources. The jewel in the crown was its vast copper mines, which provide two-thirds of the country's export earnings. Flush with this wealth, the socialist Government of President Kenneth Kaunda nationalized industries, built schools, hospitals and roads, and subsidized healthcare, higher education and food. Jobs and the state bureaucracy boomed.

The bubble burst when the price of copper plummeted in 1975. Hoping that it would soon rise again, the Zambian Government borrowed money from abroad. But the copper price never recovered and Zambia's external debt spiralled from $3.2 billion in 1980 to $7.2 billion in 1990 – by which time it had become one of the most heavily indebted countries in the world.

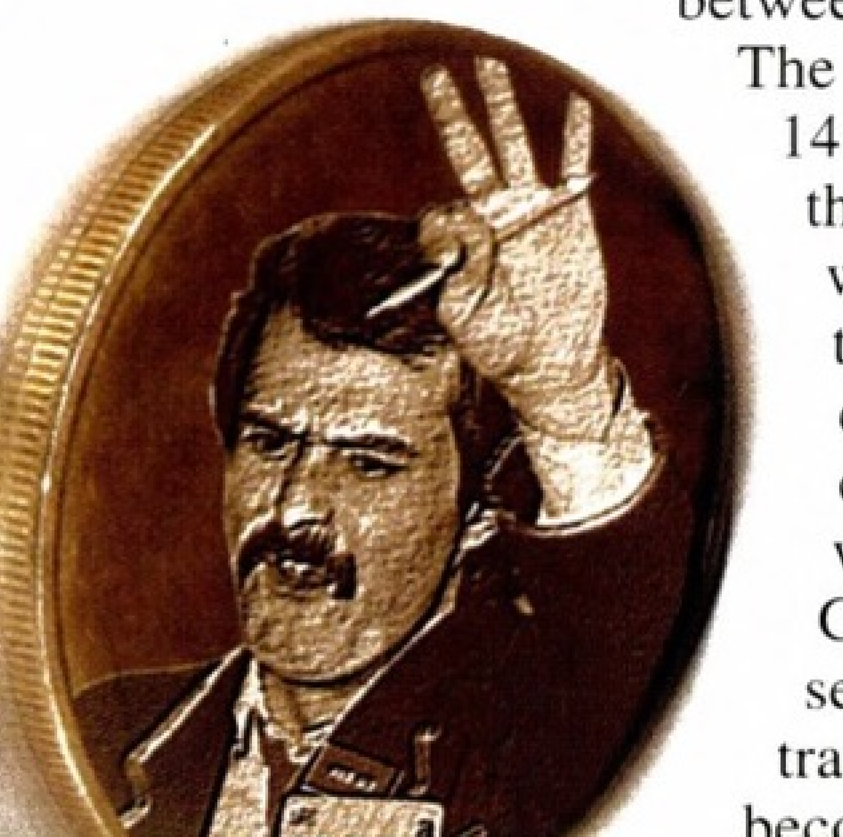
Since 1992, restructuring policies have been pursued with gusto by the Government of President Frederick Chiluba. They have followed a familiar pattern: cut public spending, liberalize trade and financial markets, remove subsidies and privatize state-owned industries. That's why Lefkata Jere lost his job.

'There is still an expectation that if Africa continues on its current path its economies can grow,' says Mulima Kufekisa Akapelwa, co-ordinator of the Catholic Church's poverty-monitoring project. Last year Akapelwa travelled to Birmingham in the UK to lobby world leaders about debt at the G7/8 summit.

'For six years Zambians have been asked to do without,' Akapelwa explains. 'To tighten our belts and wait for the economic miracle. But what sort of economic justice is it when those who can afford the least are expected to give to those who already have the most?'

It's a question that doesn't perplex one of the traders on the London Metal Exchange (LME). 'Zambia doesn't have any alternative,' he shrugs. 'If they want to survive they have to export copper. They need the revenue. The tragedy is, the more they produce, the lower prices fall and the deeper they sink. But if they don't produce at all, death comes much faster.'

One of the last commodity markets to retain 'open-outcry' dealing, where traders meet face-to-face within a ring, the LME is considered a 'gentleman's' exchange. There are strict rules about dress and behaviour – dark suits, no getting up from the red-leather benches, no gum.



More than 90 per cent of the world's trade in copper takes place here in the heart of Britain's financial district. A digital clock flips to 12:30, a bell rings and a frantic five minutes of trading between City brokers begins. The price agreed between 14 men at the moment the clock turns 12:35 will affect the lives of thousands of people in copper-producing countries around the world, from Zambia to Chile and China. As the seconds click past, the traders' hand signals become more urgent, the buzz of dealing rises to a roar, the clock flips over and red lights flash overhead. The display board show that today's price is the lowest in 60 years.

That's good news for rich countries – telecommunications companies, power generators and countless other industries and their customers will benefit from cheaper copper. But it's more bad news for Zambia – and for stone breakers like Lefkata at the farthest end of the economic chain. ■

Chris Holt is a freelance journalist and senior writer-editor at the Catholic Fund for Overseas Development (CAFOD) in London.

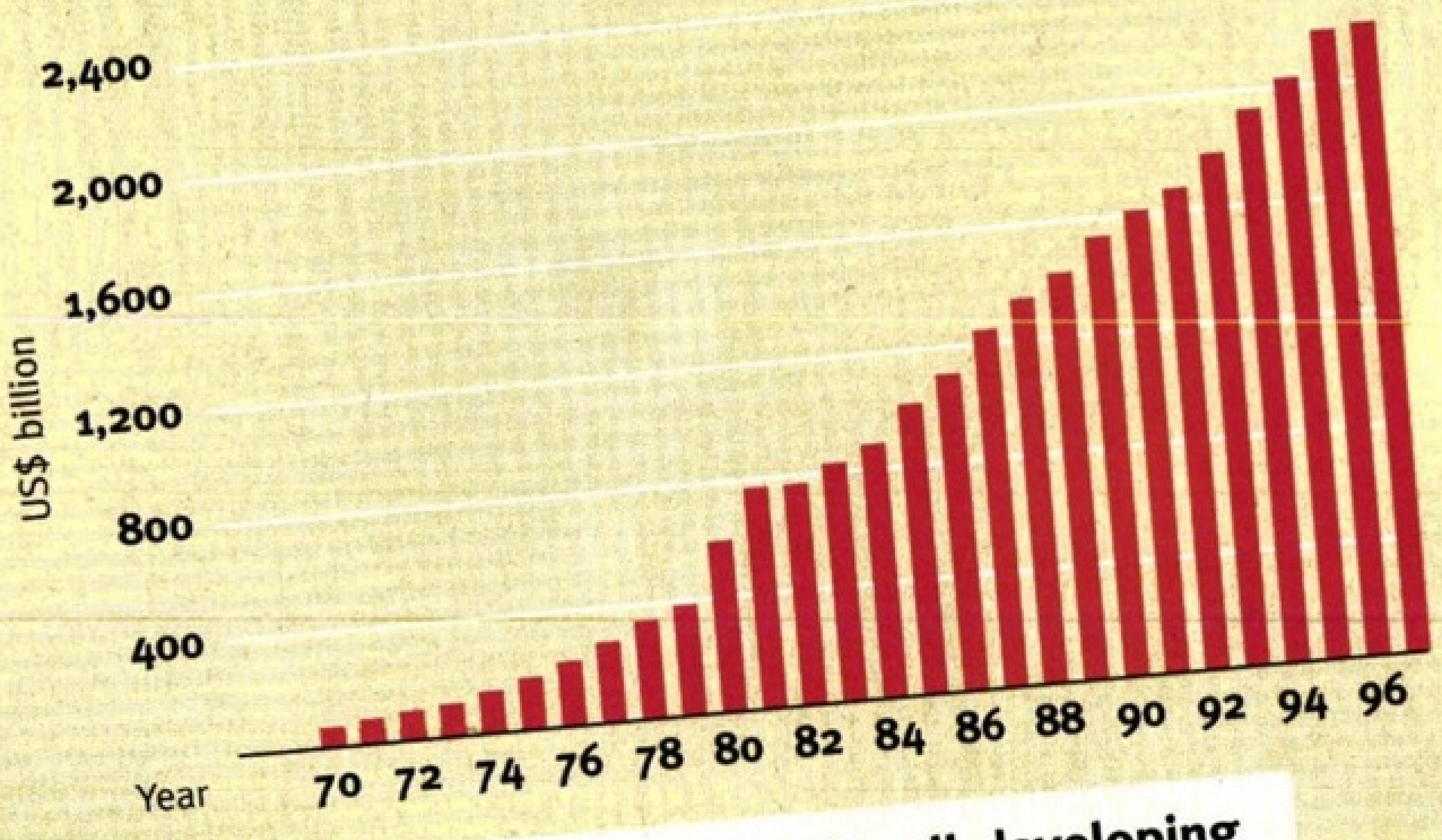
Zambia Jubilee 2000. Contact: Peter J Henriot, SJ, Jubilee 2000 Zambia Campaign, c/o Jesuit Centre for Theological Reflection, PO Box 37774, 10101 Lusaka, Zambia. Tel: 260-1-290-410; Fax: 260-1-290-759; e-mail: phenriot@zamnet.

The debt mountain

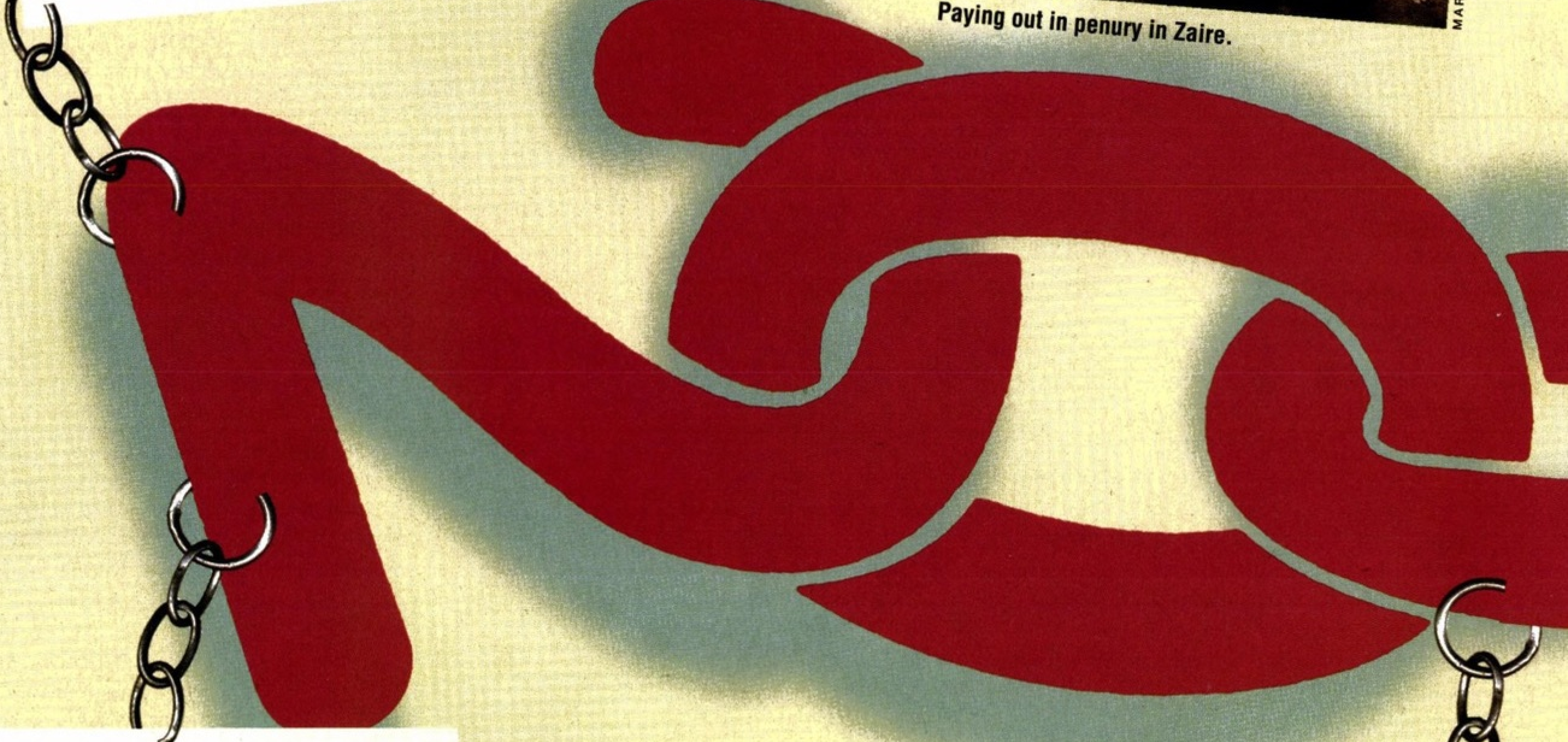
In 1997 the foreign debts of 'developing' countries[4] were more than two trillion (million million) US dollars and still growing. The result is a debt of $400 for every man, woman and child in the developing world – where average income in the very poorest countries is less than a dollar a day.

MARC SCHLOSSMAN / PANOS

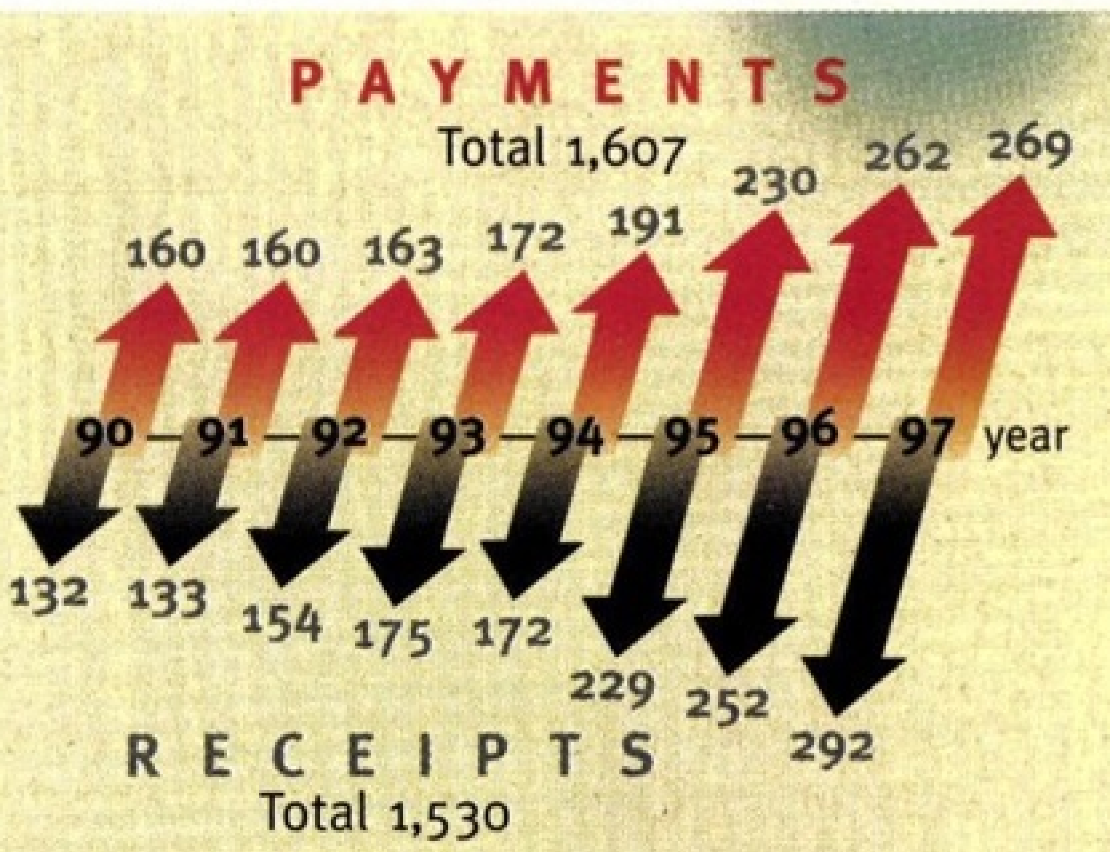
Paying out in penury in Zaire.



Total external debt, all developing countries ($ billions)



External debt, receipts and payments, all developing countries 1990-97 ($ billions)



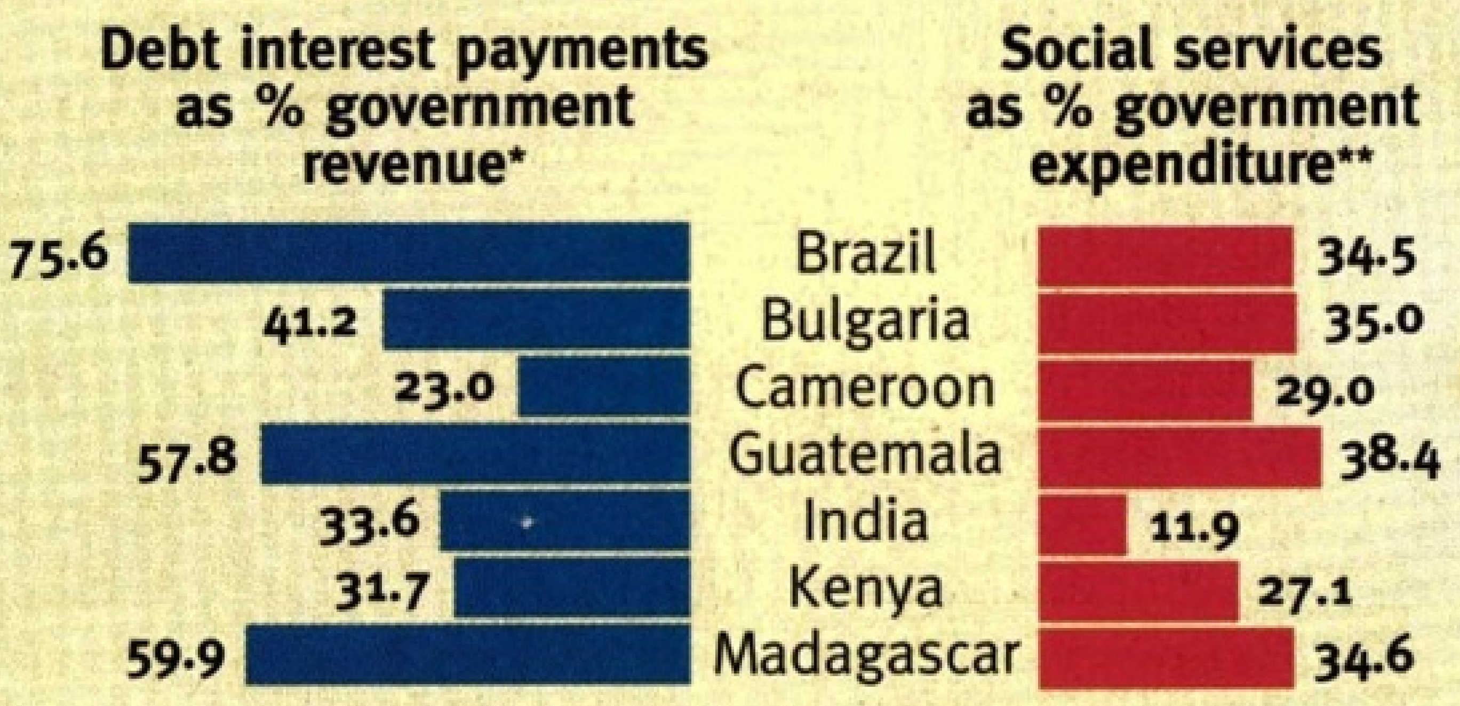
South pays North

Most of the increase in debt during the 1990s was to pay interest on existing loans. It was not used for productive investment or to tackle poverty. In six of the eight years from 1990 to 1997, developing countries paid out more in debt service (interest plus repayments) than they received in new loans – a total transfer from the poor South to the rich North of $77 billion.

Creating poverty

In return for new loans to poor countries, lenders in the 1980s and 1990s insisted on 'structural adjustment' to increase their chances of being paid back. This meant cutting government spending on things like healthcare and education – the very services on which poor people (and women and children in particular) rely. Many of these countries have ended up spending more on servicing their debts than on the basic needs of their citizens.

Government spending on foreign debt and social services (selected countries, 1995)



* Expenditure frequently exceeds revenue, so totals may exceed 100%
** Includes health, education, social security, welfare, housing and community services

---

[1] All figures, unless otherwise stated, are from the World Bank. Website: http://worldbank.org or *World Development Report 1998/9*
[2] *The Economist*, 2 January 1999. [3] *Dollars and Sense*, November/ December 1998. [4] With an average income per head of about $1,500 or less.

Debt

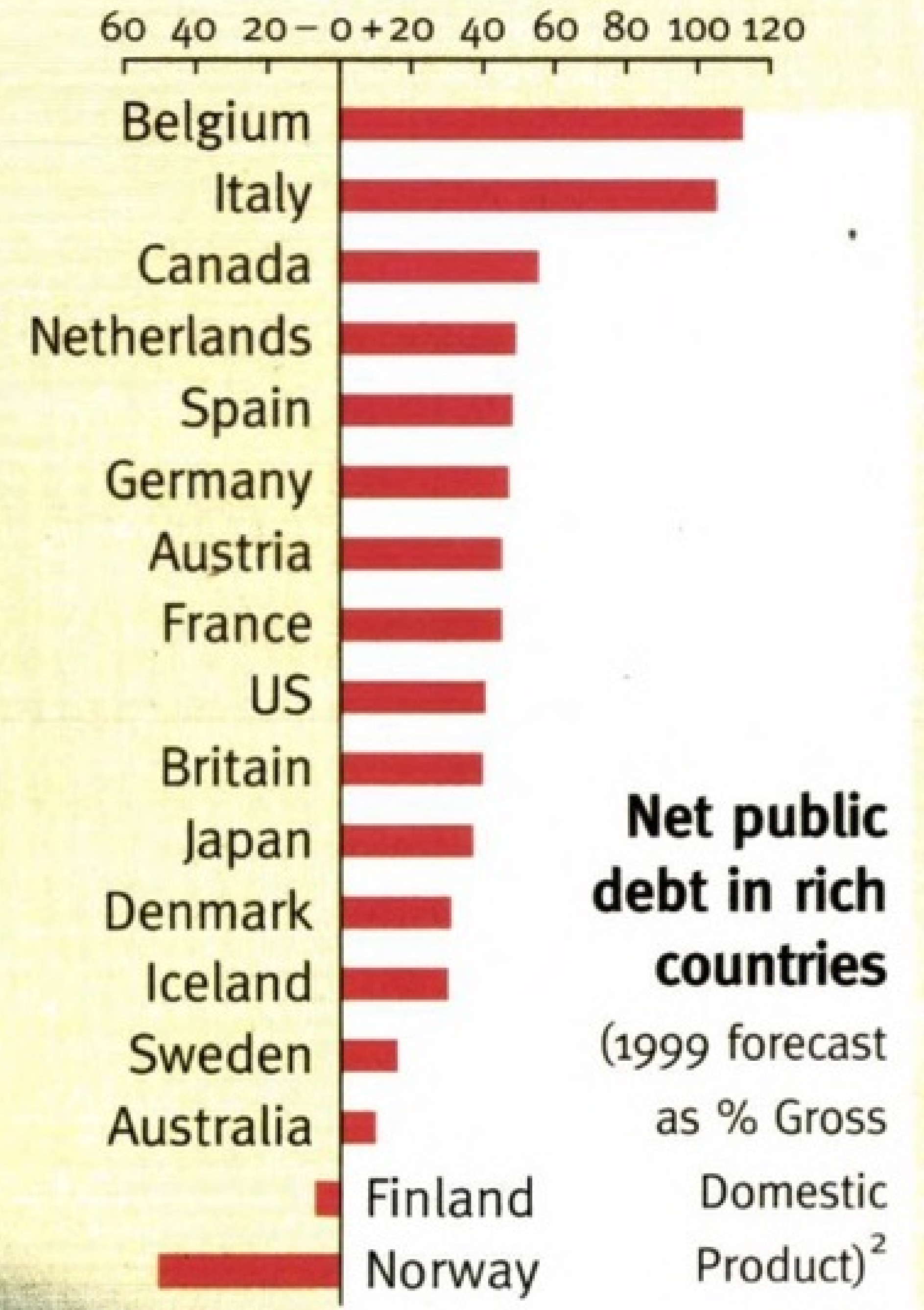
– the facts[1]

Jubilee 2000

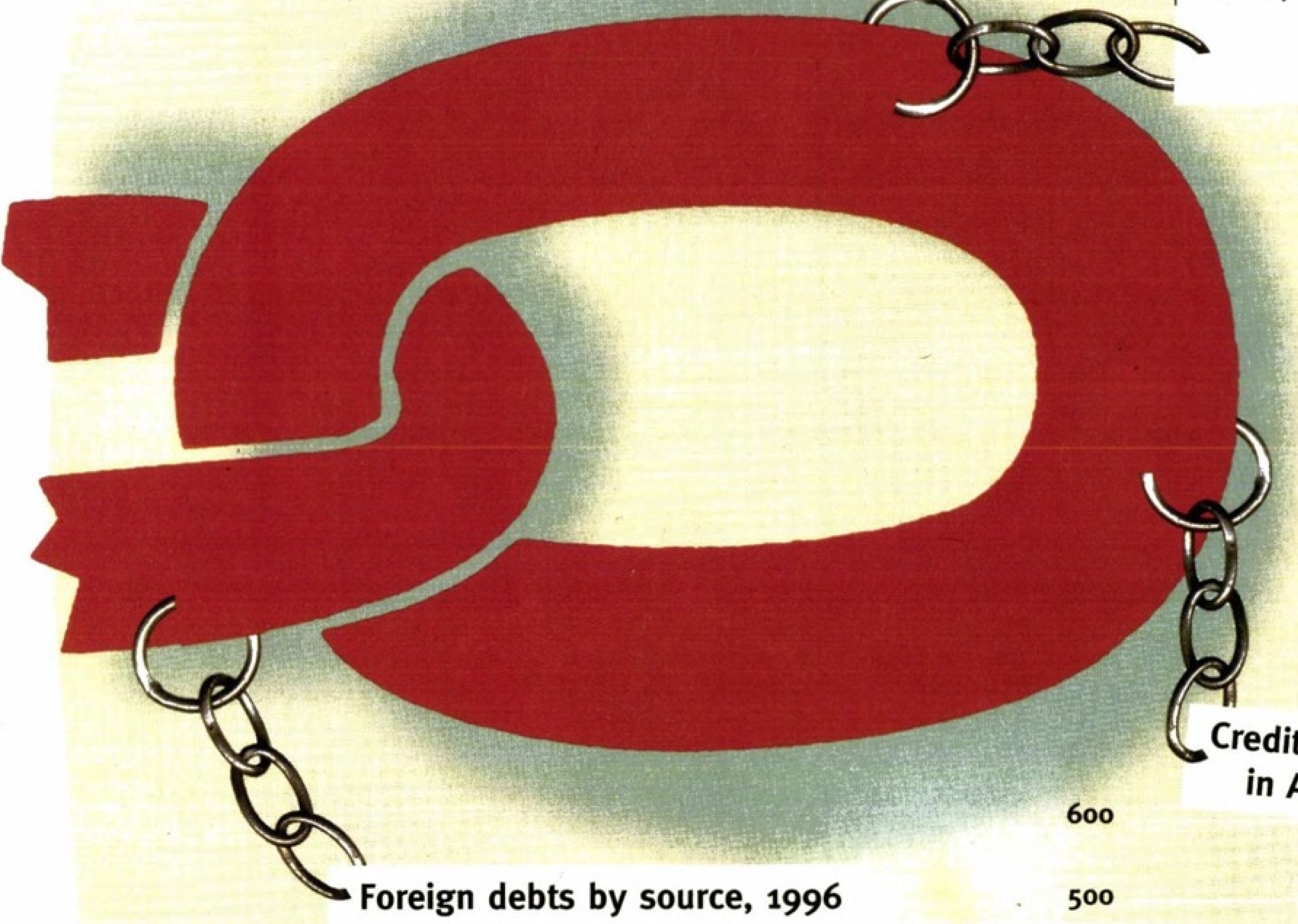
All of us live under the dictatorship of debt, and it grows more powerful by the day. But its rule is much more oppressive for the South than the North, for the poor than the rich. Debt in the poorest places on earth has become a modern form of slavery. Unless it is cancelled and the chains are broken, there is no prospect whatever of liberation.

Rich pickings

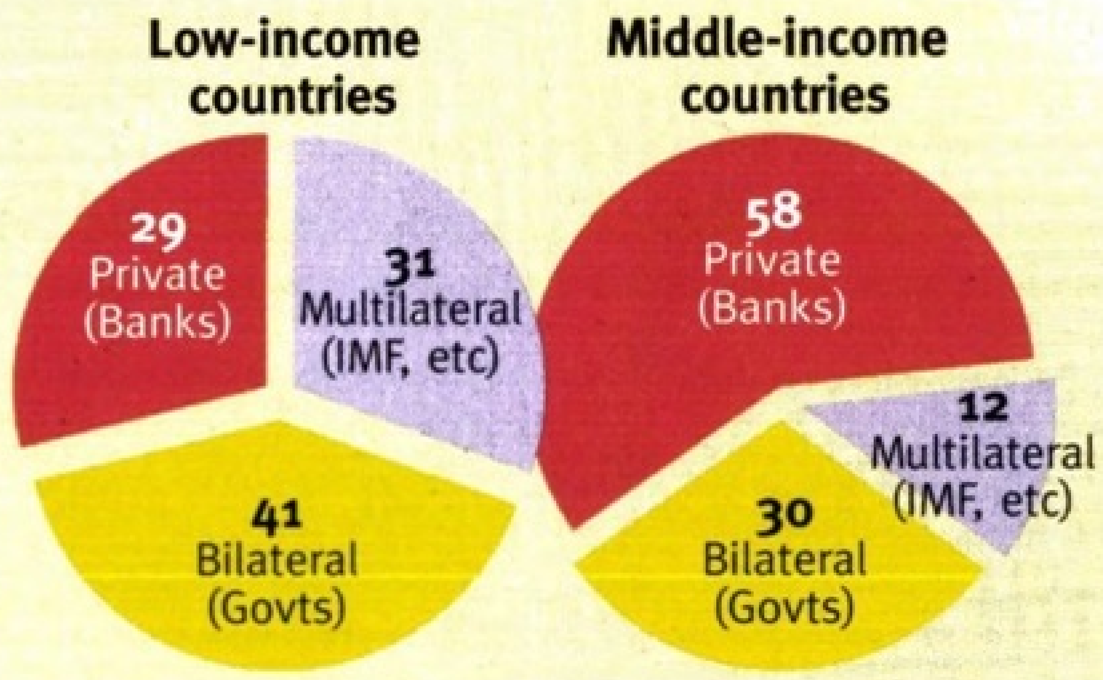
The richest countries have large 'public' debts, too. But they don't have the IMF or World Bank running their governments. In the US total 'national' debt now exceeds $6 trillion (million million). That's three times the debts of all developing countries put together. The US also has an income of more than $7 trillion a year – a quarter of the world total and more than 80 times the average in low-income countries. In Belgium and Italy public debt is larger in proportion to their income than in many poor countries. The Governments of Finland and Norway are owed more than they owe.



Net public debt in rich countries
(1999 forecast as % Gross Domestic Product)[2]



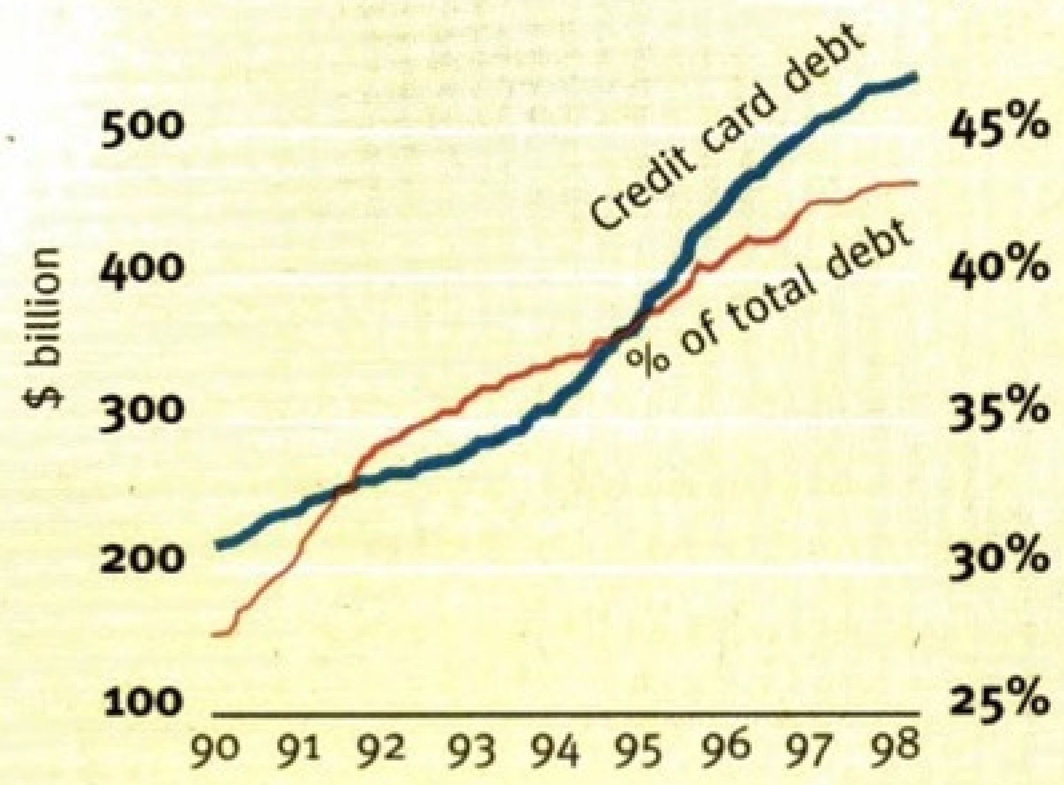
Foreign debts by source, 1996



Private goes public

The debts of the poorest 'low-income' countries are owed to Northern governments, or 'multilateral' institutions like the IMF. But this is not always because Third World governments borrowed the money in the first place. More often private debt was transformed into public debt through government guarantees and 'support' for private business. The poorer the country, the more likely it is that debt repayments are being extracted directly from people who neither contracted the loans nor received any of the money.

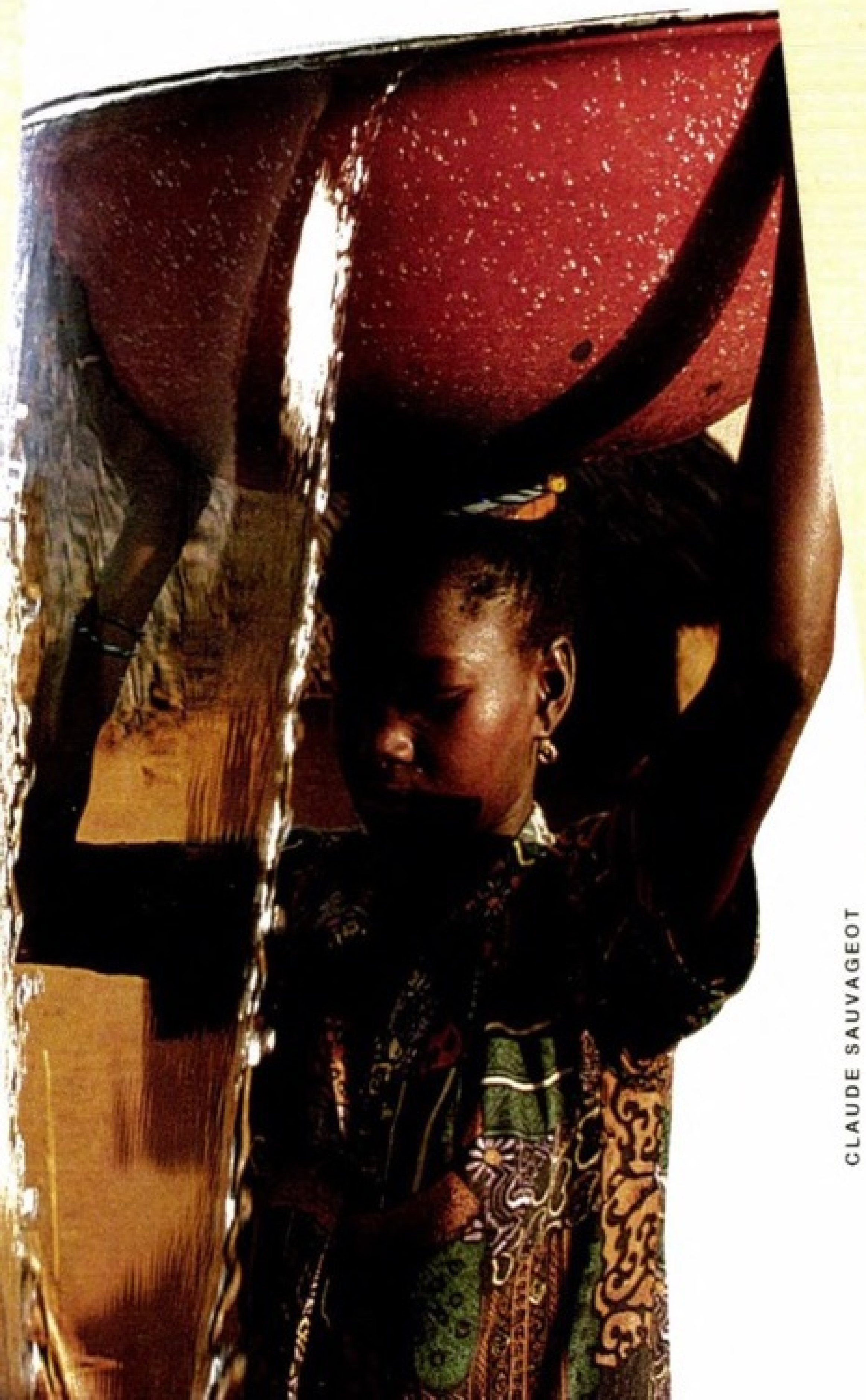
Credit-card debt in America[3]



Credit for sale

In rich countries credit has been sold harder than any other 'product' for the past 25 years and personal debt has increased rapidly as a result. In the US from 1990 to 1998 high-interest credit-card debt rose from a third to almost a half of total personal indebtedness and now exceeds $500 billion.

Pouring away progress: village life at risk in Burkina Faso.



CLAUDE SAUVAGEOT

Simple life

A cautionary tale

by **George Fisher**.

Jeremy Hare was always game, as he said wryly to all who came bearing offers of good times. At the perfect age of 32 he had acquired most of life's desirable things, even though many of these had been gained inadvertently. He reviewed the list periodically, mostly with guilt, sometimes with amazement and occasionally just for reassurance.

Jeremy was widely liked and well-travelled. His peers recognized he had become a connoisseur of all things fine. Like many of his friends, this didn't always mean the most expensive. He could see through that trap. He was more aware, more sceptical, canny. He was an educated consumer.

He was never entirely comfortable with possessions. His city-fringe apartment, overlooking the water, was minimalist and spare. The granite kitchen counter held only a coffee plunger and chrome toaster. The hi-fi was almost invisible, its speakers barely larger than his mobile phones.

He had become a lean consumer, self-disciplined and frugal, and was therefore able to save a good part of his salary for his travels, the charities and environmental groups he supported, as well as for his retirement savings. He had taken great pains with the latter, being motivated by an uncomfortable mixture of greed, confusion and fear, and still found himself reciting them to himself, as he lay awake in bed late at night, like a litany to all who might be converted: futures, foreign equities, warrants, bonds, property syndicates.

Jeremy had long found life too cluttered. While he could and did do something about this in those areas where he had most control, there were vast tracts of his existence he longed to spray over and wipe clean.

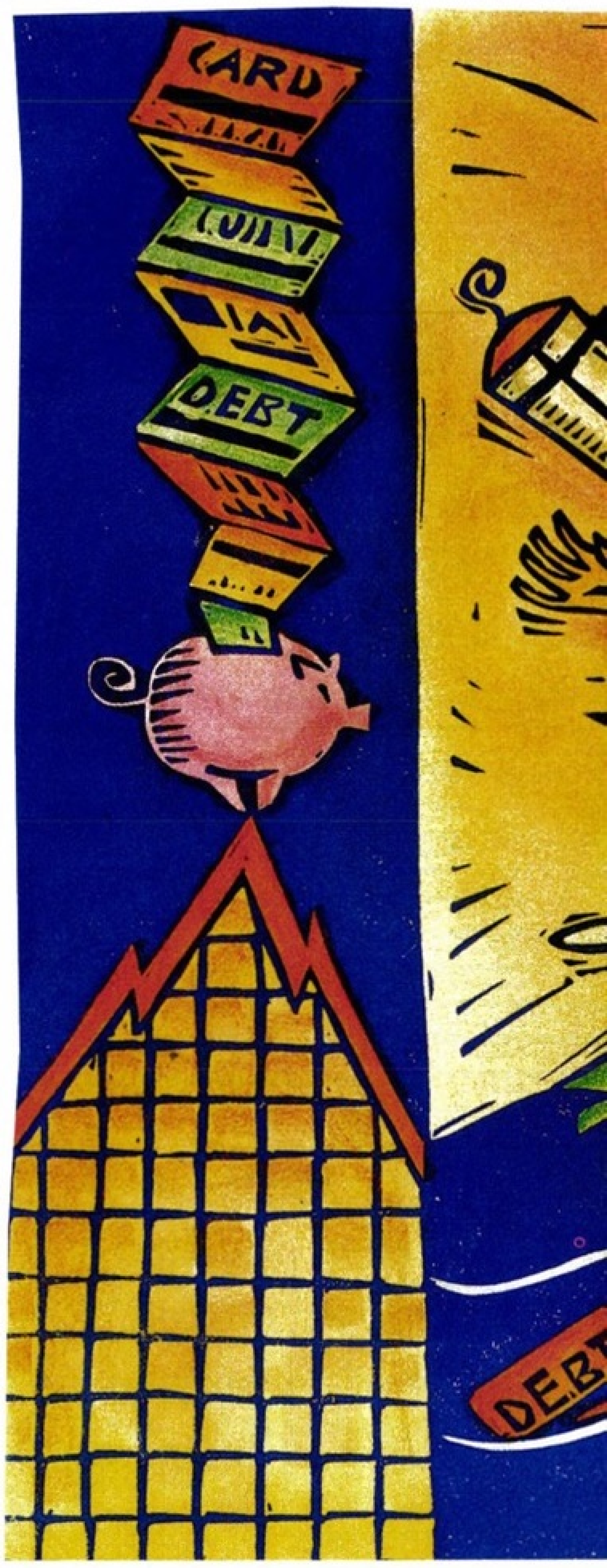
He was aware, too, of the inevitable problems that this caused and was liked even more for admitting it. Like many of his professional peers, Jeremy shunned the idea of psychoanalysis, but employed a tax-deductible life-goals coach, who warned him about 'the narcissism of experience'. Jeremy liked this phrase and didn't spot the irony in adopting it as a private motto. Over the following years he developed a highly refined image of self, ceaselessly honed and tumble-polished like a pebble in a constantly moving stream, one so mirror-like and reflective that it came to defy any further self-examination. The smoother the pebble, someone once said, the easier it is to swallow.

Foetal rather than embryonic, Jeremy's social conscience was largely topped up by seeing late-night TV community-service announcements. These were timed, he noted, at that very part of the day when he felt full after his meal, comfy in his chair and – after a break of a few hours – happy with his career. Reminders of poverty and illness and disasters such as these prompted him to change his life forever. He would be more generous; he would increase his donations to his charities and conservation groups. He would holiday less in resorts and more on treks and adventures in out-of-the-way places. This, Jeremy reasoned, would help to keep him in touch with what was happening in the world, remind him how lucky he was and give plenty of employment to the locals. And he would save even more for his retirement so he could stop working earlier, freeing himself from all the shackles of the rat-race. This, too, would have to be financed properly and he saw this as the responsible thing to do.

Perhaps in these things – *especially* in these things – Jeremy thought delayed gratification was overrated, finding it awkward to put off to another day the pursuit of such core values, so many things of substance and meaning. It was here that the cards helped him. Credit cards.

He was able to *do* so much, thanks to plastic credit. He was able to *be* so generous. Of course as a radical student he had disdained them, but that was through ignorance of how things really worked. Just a rebellious phase, he knew deep down, probably motivated by jealousy. But he was in control of all those adolescent urges now. He didn't have to buy the latest fashions or eat at the trendiest cafes. He was completely free to do so if he chose and that was a fine thing. But it didn't control him. *He* was in charge.

Being really in control, knowing things about what's important: he felt most certain about this each month when he opened the shiny brochures that came with his card statements. In fact his monthly credit statement was where his real contribution to the world was made manifest. *He* would not be a burden. He would carry more than his fair share of the weight of the world.



Jeremy would only reluctantly admit this to himself, but he was becoming quite an exceptional individual in this regard, unstoppable so long as the fuel for his credit debt never stopped.

Sure, these past few months the interest charges were racking up a bit, but that was a glitch rather than a trend. He paid off large bills on one card by getting cash advances from another. Juggling transactions and limits for all four cards took some gamesmanship.

For years life was good. Tough but good. His investments had grown and he'd started negatively gearing into overseas shares. Whenever there was a minor shortfall he'd make it up with a short-term cash advance. No problem. Not one head of corn lay on the field after his harvest, he felt uncomfortable with even the slightest wastage. He extended his credit limits all round.

An early summer break trekking in the Himalayas would do the trick, recharge his batteries and help him get back in tune with the big picture, which of late had become a little fuzzy. He returned fit and strong, and hung the Kashmiri silk rug in his hallway.

ILLUSTRATION: SUSAN TODD / 3 IN A BOX

He had given the vendor a generous tip.

He got a bit of a shock when he saw the price on his next credit-card bill, but he knew you couldn't let those sorts of opportunities pass you by. Even the air freight was worth it. And it was such a good conversation starter about the country's struggle for independence. Sure, he'd gone over budget, not that this was ever much of a challenge to him. His deep affinity with nature, his espousal of good politics and generous support of just causes led him perhaps a little too often to think he had risen *just a bit* above the everyday.

To his bank managers and for all intents and purposes Jeremy *was* his credit-card statements. They increasingly set the tone, character and quality of his life. And now the character and quality had become severely in debt.

No-one had told him that you needed to count the cost. Over a few roller-coaster months came a haemorrhaging stock market, the collapse of the property sector and the demise of his futures schemes. Further margin calls were made, his various debts were consolidated, but the end result was a massive dent in his income. And still the bills rolled in. Here was the incarnation of his credit-card conditions of use: his assets would be seized. He would be left with just one card.

In order to save his house, he had to sell the car and sell down two-thirds of his investments. That barely covered the costs and left him with a hefty 20-year loan just to keep the remaining third of his retirement funds viable. It would also mean he'd be paying off his mortgage into his mid-50s. But he was committed to a good holiday every year, and to keeping his hi-fi, TV and a few other comforts around him. And he'd do his best to keep up his donations, or at least some of them. He even took another job on weekends and for a time this helped him pay off his credit-card debts ahead of schedule.

But although he had come to know the pointy edge of compound interest, he overlooked the impact of compound consumption: the more he had, the more he needed. What was the point of having a stereo television without a video disc player? What was the point of having a good hi-fi if he couldn't keep buying CDs? And what was the point of having a gourmet kitchen if he couldn't eat fine beef and salmon steaks?

The occasional splurge proved an excellent panacea for the emptiness of a diminished credit rating. He kept being drawn as if by nature to the products and services which held the promise of a hoped-for community. Though from time to time he'd suspect the promises lacked substance. Jeremy became the archetype of perpetually unsatisfied desires. And with all the certainty of death and taxes, his final credit card was stopped and his mounting debts once more called in.

His father, who was born during the Depression, spoke to him bluntly that day. 'Who are you trying to impress with all this? You're becoming so la-de-da, you're like some bloody actor watching yourself in a mirror.' The words hurt more than anything that had happened to Jeremy in a very long time.

Jeremy had indeed become something of an actor, a rather poor one, but this nevertheless enabled his performing self to meet his voyeuristic self in a complete theatrical package.

In the many quieter moments that followed his credit demise, Jeremy glimpsed the truth that the glossy path to self-fulfilment seemed remarkably like self-erosion. The cards, the brochures, the special deals and high-spenders' offers had become the shackles of Indulgences through which the Reformation of cancelled credit had strangely liberated him. But it ushered in such a poor Enlightenment. Something indeed had been lost in the translation.

Marie Antoinette, Jeremy once read, built a replica peasant cottage – complete with water mill and dairy – nestled safely in the grounds of Versailles Palace. When life at Court proved tiresome, she and her entourage would retire there for a therapeutic dose of milking cows and churning butter.

Doing a spot of milking and butter-churning sounded like a sensible idea – if only he could figure out what the metaphor meant. But then, what would the Palace be, and would he be able to leave it when life there proved tiresome?

The sounds of the city beneath him were discordant tonight and the oranges and purples of the sunset a most unpleasant hue. He didn't like his debts stretching to some point beyond the horizon and especially not if his spending had been so cruelly curtailed. But what was the most bitter blow, the meanest and the most pitifully ridiculing, was that he now realized that he'd never known how to be content. ■

George Fisher is a regular contributor to the **NI** who lives in Sydney, Australia.

The defeat of the Americans in Vietnam was one of the defining moments in post-colonial history. But, argues **Michel Chossudovsky**, though the Vietnamese people may have won the battle they are definitely losing the peace.

Scrap metal jacket

THE former 'Museum of American War Crimes' in Ho Chi Minh City (Saigon) has a new name: the 'Exhibition House of Aggression War Crimes'. Stroll into the souvenir shop and you can purchase a model jet complete with a Coca-Cola logo on its fuselage – an exact replica of the one the US Air Force used for bombing raids in Vietnam. In the same souvenir stall you can also find an impressive selection of manuals on foreign investment and economic reform. The irony is that, search as you may, you won't find a single text on the history of the war with the US. Outside the museum, the socialist dream of the victorious Vietnamese is in tatters. A frenzied consumer economy dominates the streets, in sharp contrast to the desperate beggars, skinny street children and sinewy rickshaw drivers.

When the US/Vietnam War ended in 1975 there was an atmosphere of confusion and inertia in the country. With reunification two vastly different economic and political systems were fused – and the outcome was not always successful. Reforms in the South were enforced narrowly, following Central Committee guidelines, with little concern for social consequences. Small-scale trade in Ho Chi Minh City was suppressed, while collectivization was carried out hastily in the Mekong River delta. Ironically, political repression affected not only those with ties to the defeated Saigon regime, but also many who had opposed it.

Meanwhile, the world was changing. The 'globalization' of the market system and the breakdown of the Soviet bloc (which had been Vietnam's main trading partner) left the Vietnamese economy reeling. The Communist Party split on how to handle the crisis until 1986, when 'open door' economic reforms intended to integrate Vietnam into world markets were finally introduced. Inflation and repeated devaluations had already crushed the Vietnamese currency – it was only a matter of time before the country was again flooded with US dollars.

Despite its 'open door' economic policy the country drifted deeper into poverty. Finally, in November 1993, the Paris Club of Western donor nations pledged $1.86 billion in loans and aid to support the market reforms. But the assistance came with a humiliating price attached. As a condition for the 'normalization' of economic relations and a lifting of the US economic embargo, Hanoi was forced to inherit the debts incurred by the US-backed Saigon regime.

The loans pledged at the 1993 Conference required all public-works projects to be tendered to foreign construction and engineering firms. The latter in turn skimmed large amounts of money off into consulting and management fees and strengthened the grip of creditors on the Vietnamese economy. The Japanese at one point controlled more than 80 per cent of the loans for investment projects and infrastructure in Vietnam and a large share of those used to finance consumer imports. Debt service increased more than tenfold between 1986 and 1993, even before the Paris Club aid package.

Conditions attached to Western loans also began to erode Vietnam's industrial base. The steel industry is a good example. Eight million tons of bombs and abandoned military hardware had provided the country's mills with an ample supply of scrap metal. However, the new policy meant that steel scrap now had to be 're-exported' on to world markets to earn foreign currency. Production at Vietnam's five major steel mills stalled due to a shortage of raw materials. Meanwhile, in 1994 a Japanese conglomerate established a steel plant in Ba-Ria Vung Tau province which imported the scrap metal back into Vietnam.

An open border to foreign investment also led to the takeover of oil and gas, mining and cement production – with Japanese conglomerates again playing a decisive role. In new areas of light manufacturing and industrial processing the internal market was 'off limits' to Vietnamese companies. Cheap-labour garment producers were to export their entire output while the local market was supplied with imported second-hand garments and factory rejects from Hong Kong. The

Howitzer comes in handy at last in Hanoi.

TIM PAGE / STILL PICTURES

result? Tailors and other small-scale garment workers were pushed into poverty with their skills no longer in demand.

In sector after sector the legacy of debt and globalized free markets had a devastating impact. The over-cropping of coffee, cassava, cashew-nuts and cotton for export, combined with plummeting world prices and the high cost of imported farm inputs, eventually contributed to the outbreak of local-level famines. In many of the food-deficit areas, industrial crops produced by farmers who had abandoned food farming remained unsold on oversupplied world markets. The upshot was famine: farmers could neither sell their industrial cash crops nor produce their own food.

The reforms also ravaged the education system. The budget was slashed, teachers' salaries cut and 'user fees' introduced for secondary schools, colleges and universities. Nearly 750,000 children were pushed out of high-school during the first three years of the reforms.

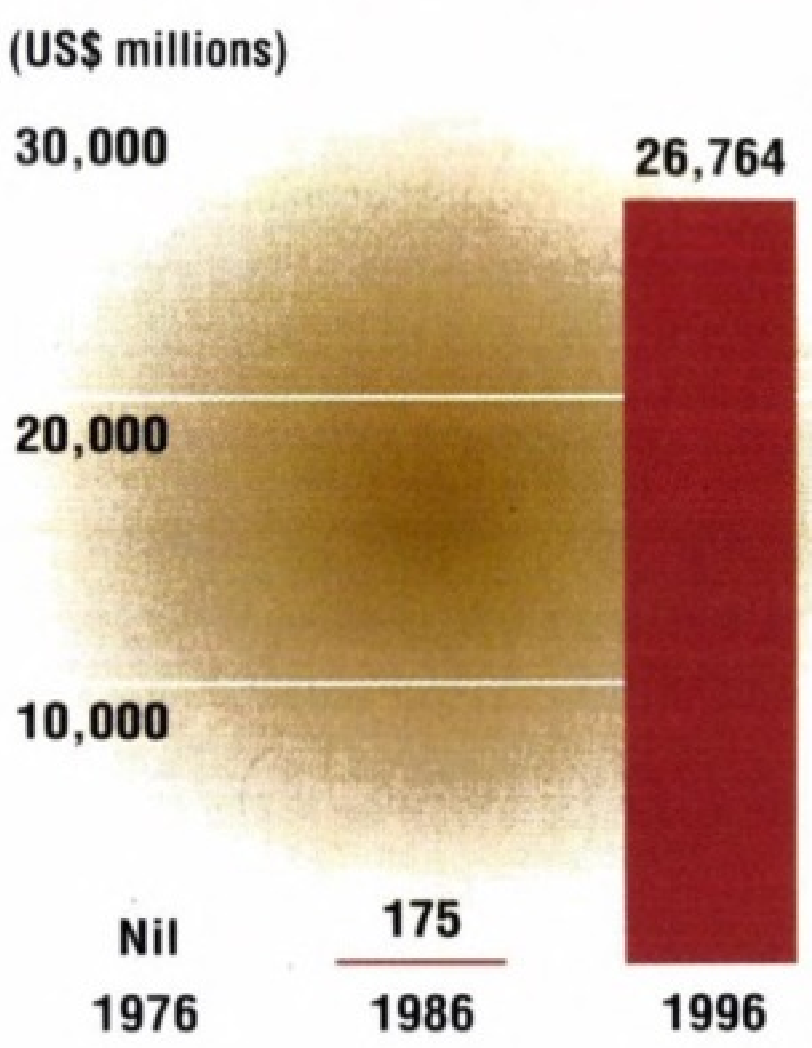
Public health also suffered. The use of essential drugs dropped by 89 per cent, destroying Vietnam's pharmaceutical and medical-supply industry. Tens of thousands of doctors and health workers abandoned the public sector. One result has been a dramatic resurgence of infectious disease. The World Health Organization found that malaria deaths increased threefold in the first four years of the reforms.

In the aftermath of a brutal and criminal war the world has scarcely noticed the deadly impact of these 'macro-economic' policies. The achievements and aspirations of an entire nation have been silently destroyed. Not by steel-pellet bombs, napalm or Agent Orange, but by the 'neutral' and 'scientific' tools of free-market economics. ■

Michel Chossudovsky is Professor of Economics at the University of Ottawa.

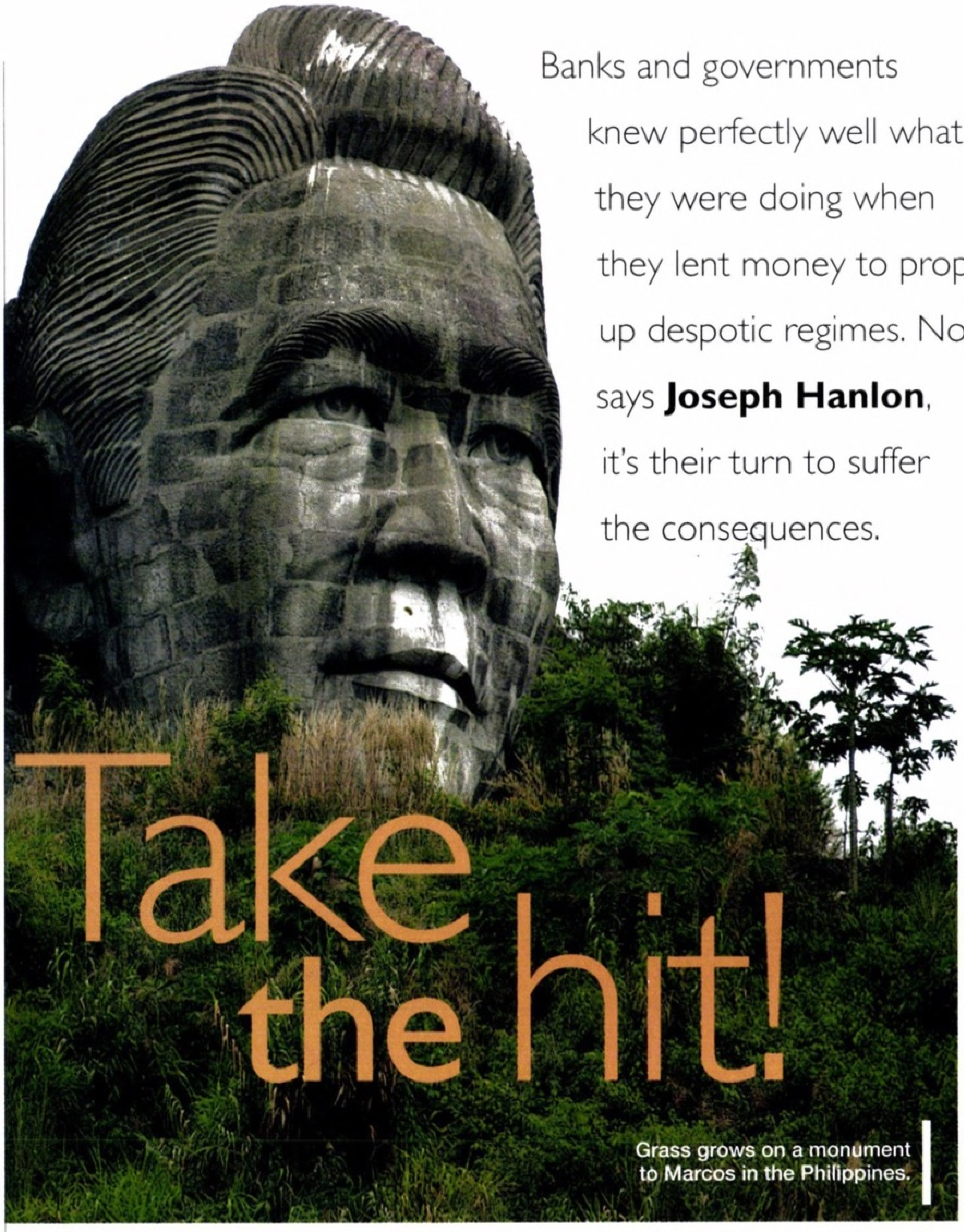
This article is an edited extract from *The Globalization of Poverty* (Third World Network, Penang, Malaysia, 1997).

Vietnam's external debt



Take the hit!

Banks and governments knew perfectly well what they were doing when they lent money to prop up despotic regimes. Now, says **Joseph Hanlon**, it's their turn to suffer the consequences.



Grass grows on a monument to Marcos in the Philippines.

NANCY DURRELT-MCKENNA / PANOS PICTURES

THERE is 'no (repeat, no) prospect for Zaire's creditors to get their money back in the foreseeable future'. That's what Edwin Blumenthal, the International Monetary Fund's man in Kinshasa, wrote 20 years ago in a report for the agency.

Over the next six years the IMF lent Zaire $600 million, the World Bank lent $650 million and Western governments lent nearly $3,000 million – knowing that Zaire's dictator, Mobutu Sese Seko, would put the money in private Swiss bank accounts or squander it on lavish palaces. When Blumenthal wrote his report, Zaire owed $5 billion. When Mobutu was overthrown and died last year, the debt was over $13 billion.

Mobutu was the man for whom the word 'kleptocrat' was coined – a combination of kleptomaniac (compulsive thief) and autocrat. But he was a staunch Western ally, so it made no difference. Now things have changed: the Cold War is over, Mobutu is dead, Zaire is the Democratic Republic of the Congo and the West wants its money back. The new government should be spending every penny it has rebuilding the country. Instead, every man, woman and child in the plundered nation must repay $260 in debt.

Surely something is wrong here. If a compulsive gambler goes to a bank to borrow money, and the bank is stupid enough to lend it, who is liable? The bank or the gambler's children? In Zaire the situation was even worse. The lenders backed Mobutu in creating a repressive machine that made it impossible for citizens to object to the loans. This is not just lending to the gambler – it's helping him to abuse his spouse when she objects.

In international law there is a concept known as 'odious debt'. When the Americans captured Cuba from Spain in

1898, the Spanish demanded that the US repay Cuba's debts. The US refused, arguing that the debt had been 'imposed upon the people of Cuba without their consent and by force of arms... The creditors, from the beginning, took the chance of the investment.' The doctrine that 'odious debts' are not the responsibility of the people and successor governments was subsequently enshrined in international law.

In South Africa, apartheid was defined by the UN as a 'crime against humanity'. By 1982, as the campaign for international sanctions grew, lawyers for US banks publicly warned their employers that a majority government might not repay apartheid debts: 'If the debt of the predecessor is deemed to be "odious" and the debt proceeds are used against the interests of the local populace, then the debt may not be chargeable to the successor.'

In Nigeria, campaigners are calling for creditors to seize the military dictators' Swiss bank accounts, not to increase taxes

When Nelson Mandela became President he inherited more than $18 billion in debts. The IMF warned that unless they were repaid, however odious, South Africa would be isolated by the international community. The upshot? Money that should have been used to build schools and homes and to create jobs to redress the legacy of apartheid was instead sent to the very same US, British and Swiss banks that had backed apartheid.

Nor does this happen just in Africa. The corruption of Philippines' dictator Ferdinand Marcos and his wife Imelda is legendary. Estimates are that they and their cronies pocketed a third of all loans to the Philippines in the form of kickbacks and commissions. Their personal wealth was estimated at $10 billion. When President Aquino took over, rather than insist that Marcos repay the money, the IMF said the Filipino Government should be responsible for the debts of private corporations, that taxes should be raised and that the rice subsidy should be ended as a way of raising enough money to repay the debts.

The lenders knew perfectly well what was happening to their money. The largest single debt of the Marcos era was the $2.8 billion Bataan Nuclear Power Station. This white elephant was built by the US company Westinghouse for 11 times the original estimate and never used because it was built over an earthquake zone. Investigations by the *New York Times* showed that Westinghouse had channelled tens of millions of dollars in bribes to Marcos through Swiss companies. Is Westinghouse responsible for that bad debt – or are the children of the Philippines?

A PUCCIANO / CAMERA PRESS

Where's the loot? No record of $30 billion borrowed by Galtieri (far right) and his chums in Argentina.

In Argentina, there are no records for 80 per cent of the $40 billion borrowed by the military dictatorship from 1976 to 1983. A case in the courts there calls for the Government either to produce accounts or have the debts declared illegal. It is claimed that New York banks knew that money was being misused, with kickbacks and fraudulent loans to companies linked to the military, and that the IMF connived with the fraud. It is also clear that the military used some of the money to buy weapons used in the Falklands/Malvinas War.

In Brazil, the military dictatorship which ran the country from 1964 to 1984 used other tricks – like contracting two loans for the same project, then siphoning off the second one for arms and corruption.

Why did supposedly reputable financial institutions like the IMF and governments like the US turn a blind eye to obvious corruption? Because Marcos, Mobutu and the Latin American dictatorships were valued allies in the Cold War – and because the money flowed back to American companies and banks anyway. And why did the banks lend to Marcos or Argentina? Because they knew that the IMF and the US would enforce repayment.

Nor is this just a Cold War phenomenon. Last year the IMF lent billions of dollars to Russia, knowing it was flowing out again to Swiss banks. Why? Because the US wanted to prop up Boris Yeltsin and his corrupt allies.

The Jubilee 2000 campaign to cancel the debts of the world's poorest countries says that nearly $500 billion – almost a quarter of all Third World debt – is from loans given to prop up dictators in some 25 different countries. Campaigns are growing in these countries to stop payment on this debt. In South Africa, the campaign has won the backing of the Archbishop of Cape Town, Njongonkulu Ndungane. 'South Africa,' he says, 'has had governments that systematically oppressed the majority of its people... aided and abetted by the international financial community.' Debt incurred under the apartheid regime, Ndungane argues, 'should be declared odious and written off'.

In Nigeria, campaigners are calling for creditors to seize the military dictators' Swiss bank accounts for repayment, not to increase taxes on ordinary Nigerians. And there are also spirited anti-debt campaigns in Brazil, Argentina, Mexico and the Philippines.

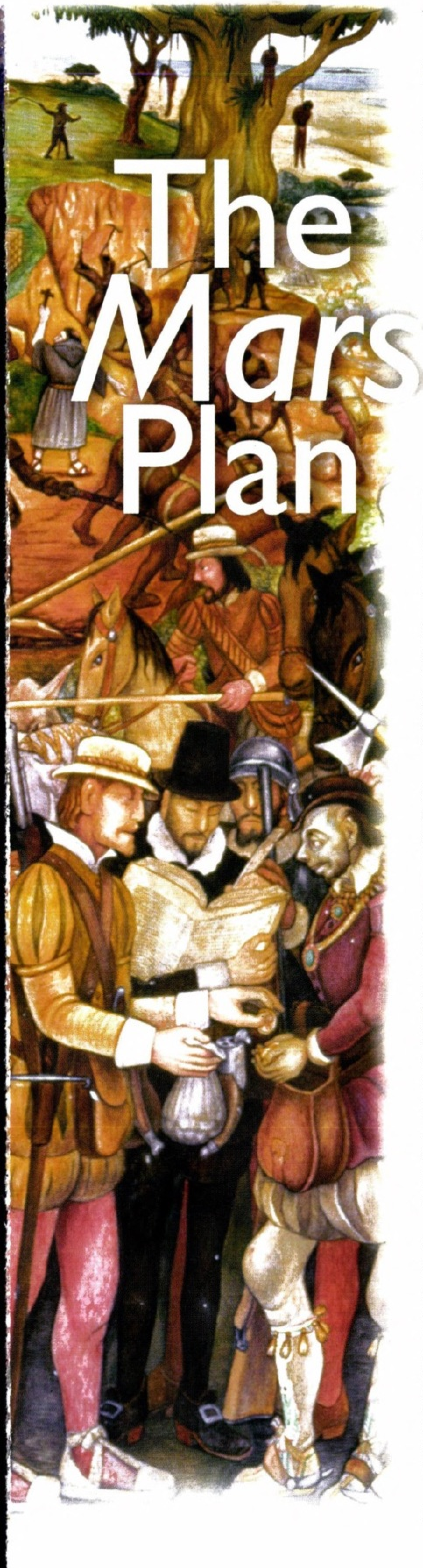
Recently the International Monetary Fund has quarelled with the definition of 'odious debts', arguing that if creditors accept that loans may be forgiven this will 'encourage international investors to take on greater risks in the belief that they will only partially suffer the consequences'.

In reality, the IMF's ability to force poor countries to repay their debts has allowed lenders – including the IMF itself – to make odious loans for political reasons. And that raises a fundamental issue. A critical goal of the sanctions campaign against apartheid in the 1980s was to cut off investment and loans. Bankers knew perfectly well that they were backing a crime against humanity. Should they now be penalized? So far the international community has said 'no' – the victims of genocide in Rwanda and the families of the 'disappeared' in Argentina must pay the debts of their oppressors. But if there are ever to be sanctions against apartheid or genocide or military oppression, then those who back the oppressors must know that they take a risk.

It may be unrealistic to expect politicians and bankers to have any morality. But the argument is important. Governments and international financial institutions should have to bear the risks of the loans they themselves decide to make. They should, in bankers' jargon, 'take the hit' – and write them off.

It's time to stop forcing the victims to pay twice for their own oppression. ■

Joseph Hanlon is a policy adviser to Jubilee 2000 UK Coalition.



The Marshalltezuma Plan

The gold and silver Europe borrowed from the International Indo-American Fund after the Crusades, reckons **Cuaicaipuro Cuautémoc**, are little different from the dollars Europe borrowed from North America through the Marshall Plan at the end of the Second World War – and repayment is long overdue.

I am a descendant of those who colonized America 40,000 years ago and I've got a bone to pick with those Europeans who claim to have 'discovered' us 500 years ago.

Why is it that your banks and money-lenders ask me to pay for debts which I never authorized to be sold to me in the first place? You tell me that all debts must be paid with interest, even if it means selling human beings and sometimes even whole countries without their consent.

But I also have payments to claim. And I, too, can claim interest. The evidence is in the archives where paper after paper, receipt after receipt, signature after signature, show that from 1503 to 1660, 185,000 kilos of gold and 16,000,000 kilos of silver were shipped from America. Plunder? I wouldn't say so. Because that would mean that our Christian brothers were violating their seventh commandment. Genocide? May Tanatzin have mercy on me for thinking that the Europeans, like Cain, kill and then deny their brother's blood! Pillage? That would mean giving credit to slanderers like Bartolomé de las Casas, who equated the discovery of the Indies with its destruction, or to extremists such as Dr Arturo Petri who thinks that the growth of capitalism and of the current European civilization was due to that early flood of precious metals from the Americas!

But I would rather consider those thousands of kilos of gold and silver as the first of several friendly loans granted by Native Americans for Europe's development. The contrary would presuppose war crimes, which would require their immediate return and also compensation for damages. I prefer to believe in the least offensive of the hypotheses. Such fabulous capital exports were nothing short of a Marshalltezuma Plan to guarantee the reconstruction of a barbarian Europe, ruined by deplorable wars against the Muslim foe.

For this reason we must ask ourselves: what have you, our European brothers, done in a rational, responsible or at least productive way with the resources so generously advanced by the International Indo-American Fund?

The answer is, unfortunately, nothing. Strategically, you squandered it on wars, invincible armies, Third Reichs and other forms of mutual extermination, only to end up being occupied by the Yankee troops of NATO. Like Panama, but without a canal.

Financially, you were incapable – even after a moratorium of 500 years – of either paying back capital with interest or of becoming independent from raw materials and cheap energy imported from the Third World.

This pitiful picture corroborates US economist Milton Friedman's assertion that a subsidized economy can never function properly. And it compels us to claim – for your own good – the repayment of capital and interest which we have so generously delayed reclaiming for all these centuries.

Nonetheless, we want to make clear that we will refrain from charging our European brothers the despicable floating rates of 20 or even 30 per cent that they charge Third World countries. We shall only demand the return of all precious metals advanced, plus a modest fixed interest rate of ten-per-cent per year accumulated over 500 years. On this basis, we want to inform our discoverers that they owe us, as a first payment against the debt, only 185,000 kilos of gold and 16-million kilos of silver. And to this sum, of course, we must add the European invention of compound interest.

What huge piles of gold and silver! How much human blood would weigh the same? To say that in half-a-millennium Europe has not been able to produce sufficient wealth to pay back this modest interest is to admit to the total failure of capitalism. ■

Cuaicaipuro Cuautémoc, a Mexican indigenous leader, came to Europe in 1992 for commemorations of the 500th anniversary of the 'discovery' of America.

Reprinted from *Renacer Indianista* No 7, and from the translation in *Resurgence* No 184.

ILLUSTRATION: DETAIL OF *THE ARRIVAL OF CORTEZ IN MEXICO* BY DIEGO RIVEIRA / CORBIS

Debts to history

Without borrowing money **Northern governments** would not have been able to fight wars – let alone win them, fiddle the balance sheet of history and impose a crippling form of debt slavery on the **South**. The **NI** charts the irresistible rise of 'public' debt in capitalist societies – and the repudiations, defaults and write-offs that regularly came with it.

Conquest

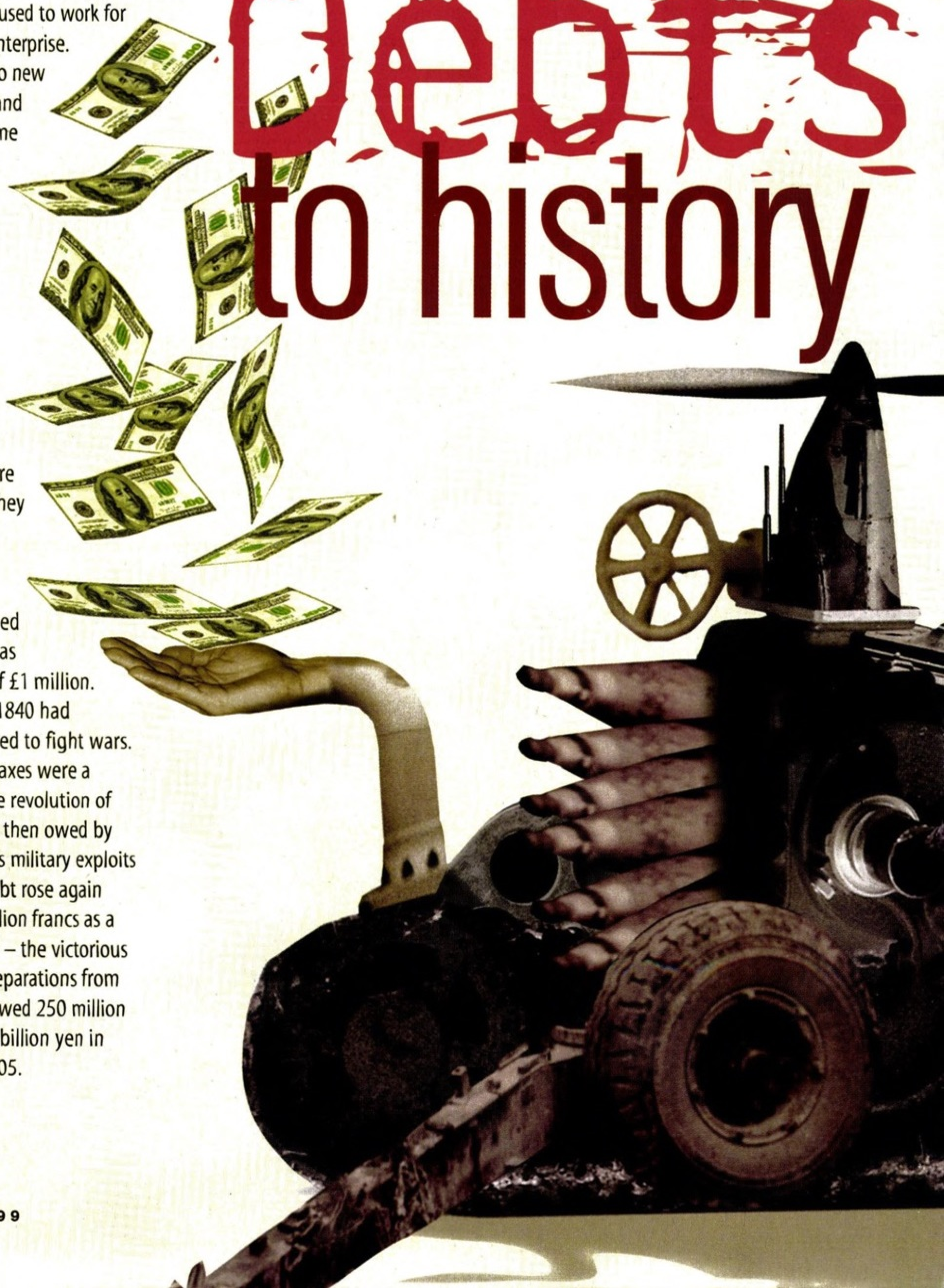
Merchants in European city-states like Venice, Genoa and Florence helped fund the Crusades, which aimed to take Jerusalem and the Holy Land from Islamic rule in the name of Christianity. Made rich by regional trade, these merchants eventually wielded enormous political power over governments – including the Papacy. Longer European voyages of discovery and conquest relied on support from monarchs and merchants, both of whom expected a good return on their investment. So colonial expansion was driven by adventurers who were daring and curious about the world but also owed a lot of money.

The theft of gold and silver from the indigenous cultures of Latin America confirmed how profitable such expeditions might be, and enthusiasm for them redoubled. Colonial administrations were set up in the new lands to transfer wealth back to Europe. But there was a troubling problem, particularly in the Americas. Native peoples were decimated by European diseases and often refused to work for the colonizers – thus threatening the whole enterprise. Eventually, the shipping of enslaved Africans to new sugar plantations in Brazil and the Caribbean and to cotton plantations in the southern US became the most profitable trade of all – and thus the main source of capital for future borrowing.

Independence

Meanwhile, newly independent governments in the Americas began to borrow too. In 1790 the US Federal Government assumed $75 million of debts incurred by states during the War of Independence. But their prior debts to British banks remained unpaid – in 1842 11 US states eventually defaulted on them. In 1861, when Mexico defaulted on its debts, Britain, France and Spain promptly invaded.

Federal debts incurred during the US Civil War rose to $2.6 billion by 1865. The Canadian Government started off with a debt of $75 million (Canadian) passed on from the provinces at the time of Confederation in 1867. The Government continued to borrow – but largely to finance railroads.



Revolution

Lending to nation-states in Europe was good business. Governments could ensure repayment by taxing their citizens and they could not legally go bankrupt. So states borrowed heavily – most often to fight wars among themselves.

In 1692 legislation in England pledged the receipts from beer and liquor taxes as security for a loan to the Government of £1 million. 'Public' debt increased steadily and by 1840 had reached £827 million, almost all of it used to fight wars.

Government debt and burdensome taxes were a major source of discontent in France. The revolution of 1789 repudiated two-thirds of the debts then owed by the French Crown. Napoleon financed his military exploits largely from foreign levies, but public debt rose again thereafter. By 1870 it had reached 12 billion francs as a consequence of the Franco-Prussian war – the victorious Prussians demanded 5 billion francs in reparations from France. The Japanese Government borrowed 250 million yen for war with China in 1894 and 1.5 billion yen in foreign bonds for war with Russia in 1905.

war
death
famine
corruption

Hot

The two 'world' European wars (1914-18 and 1939-45) sharply increased public debt. The French Government owed 34.2 billion francs in 1914 and the total rose steadily when war began. British national debt increased from £610 million in 1900 to £7.8 billion in 1920 and £21.3 billion in 1945 – making Britain one of the world's largest debtors.

Germany's defeat in 1918 led to financial chaos. Excessive war reparations were considered partially responsible for the rise of Nazism. In 1934 Hitler repudiated war debt, then built the Nazi war machine with loans that reached 300 billion marks by 1945. Japan's public debt stood at 151 billion yen at the end of the war.

During the 1930s Britain and other European countries defaulted on their war loans from the US, valued at around $30 billion. In the US borrowing for the 'New Deal' to mitigate the effects of the Great Depression increased Federal debts to nearly $43 billion by 1940. But the cost of the Second World War was far greater, so that Washington's debt jumped to $269 billion by 1945.

Cold

After the defeat of Germany in 1945, 'hot' war was replaced by 'cold' war against the Soviet Union. In 1951 West Germany was told to use 10 per cent of its exports to repay its debts, but as the Cold War hotted up the ratio was reduced to 3.5 per cent. Eventually the 'London Agreement' of 1953 wrote off two-thirds of what Germany owed. British repayments to the US were capped at four per cent of exports. In 1960, France adopted a 'new' franc that was valued at 100 'old' francs, which meant that the nominal value of its public debt was immediately reduced to one per cent of its previous level.

The US financed the Marshall Plan to promote post-war European reconstruction, while the Bretton Woods institutions (the World Bank, the International Monetary Fund [IMF] and the General Agreement on Tariffs and Trade) were established to promote Western-style 'development'. In 1950 the World Bank made its first African loan to Ethiopia. In 1956 the Paris Club of creditor governments entered its first debt renegotiation – with Argentina. In 1965 President Sukarno, unhappy with loan conditions imposed on Indonesia, withdrew from the World Bank and the IMF. A bloody military coup followed and the new regime of General Suharto, more sympathetic to the West, received massive debt relief and much easier terms from the Paris Club.

Proxy

Lavish spending by the United States on the Vietnam War, combined with an oil-price hike by Arab producers in 1973, massively increased the worldwide circulation of US dollars. Private banks began to lend these 'petrodollars' to governments in the South. At least 20 per cent of the new loans were spent on arms, often to fight 'proxy' wars between the Cold War superpowers.

In 1982, when Mexico told its creditors it could no longer pay, the Third World debt crisis began. Governments stepped in to bail out private banks. Between 1985 and 1988, under the US 'Baker' and then 'Brady' plans, 'private' debt was transformed into 'public' debt. Between 1982 and 1990 developing countries' debt service alone totalled $1,345 billion – the equivalent of six Marshall Plans. 'Structural adjustment' programmes were imposed by the IMF and World Bank as a condition of new lending.

Civil

The Cold War ended in 1989 after a decade of US Government borrowing for military projects like 'Star Wars'. The Gulf War against Iraq followed in 1991 – debt relief was offered to Arab countries, and Egypt in particular, in exchange for their support against Iraq.

Elsewhere, loans to countries of the former Soviet empire began. In nations as far apart as Yugoslavia, Rwanda and Peru, debt slavery lay concealed behind outbreaks of violent civil unrest. All attempts to organize relief for the South were rebuffed on principle until 1996, when the 'Heavily Indebted Poor Countries Initiative' was launched to make debt repayments 'sustainable'. Meanwhile, private lending resumed to a small number of 'boom' economies in Asia – and ended in a dramatic crisis that began in Japan and brought civil unrest to South Korea and the downfall of Suharto in Indonesia. Speculative debt-driven 'contagion' spread to Russia, then Brazil and may yet reach China, the US and Europe – within a decade, the 'cold' war has been replaced by a 'financial' war that is still being fought.

Sources
Joseph Hanlon, *We've been here before*, paper prepared for the Jubilee 2000 Coalition (London, 1998). Patricia Adams, *The World Bank's Finances*, see website: http://www.cato.pubs/pas/pa-215.html Jacques B Gélinas, *Freedom from Debt*, (Zed Books, 1998). Michael Rowbotham, *The Grip of Death*, (John Carpenter/Charlbury, 1998). Michael Barratt Brown, 'The Morphology of Debt' in *The Spokesman 63* (Russell Press, 1997). Michel Chossudovsky, *The Globalization of Poverty*, (Third World Network, 1997).

MILES COLE

Starting from **scratch**

An idea first planted in ancient Hebrew texts has grown into the most effective campaign to date for the cancellation of Third World debt. **John Mihevc** explains.

THERE is nothing like a major turning of the calendar page to focus energies and instil hope. For years anti-debt campaigners have been trying to keep the issue alive. There have been times when, like our biblical ancestors, we seemed to be wandering on the margins of the desert, searching to find a source of inspiration to water our hopes for a just solution. But as the calendar advances towards the millennium there is a new feeling of optimism and energy, a sense that things are beginning to happen.

One word for it is 'Jubilee' – the seed of an idea planted by our biblical ancestors that is now blooming anew. Who would have thought that this short but significant passage in the Hebrew scriptures could be responsible for one of the most exciting and effective anti-debt initiatives ever launched?

You shall have the trumpet sounded loud
You shall hallow the fiftieth year
You shall proclaim liberty throughout the land
It shall be a Jubilee for you

(Leviticus 25:9-10)

At first glance the passage doesn't seem to say much, but as we peel away the layers of meaning we get a clearer picture of ancient Israel's moral worldview based on social equity and respect for creation.

The text goes on to include a call to set slaves free, forgive debts, restore wealth to the poor and give animals and the land a period of rest. The word 'Jubilee' is derived from the Hebrew word *jobel*, the curved ram's horn that was sounded to mark the occasion.

The Jubilee vision weaves together several other key ethical insights from the Hebrew scriptures. First is the Jubilee's relationship to the notion of Sabbath as a time for rest and stock-taking, a principle that has almost disappeared in our seven-day-a-week, twenty-four-hour-a-day consumer world. The second insight is that humans are only tenants on the land which they work. The Earth belongs to God and we honour creation by giving it, and those who work it, periodic rest. The poor should also be released from their debts and given back some land and wealth so that they can start over.

The Jubilee 2000 campaign calls for a sweeping cancellation of Third World debts. But campaigns to forgive the debts of the poorest developing nations are nothing new. They have been issued by churches in the South for a decade at least and have gone largely unheeded.

However, this time things are different. This new international movement has taken on a momentum that debt activists like myself scarcely dreamed possible.

What really underscores the Jubilee vision is its brilliant combination of hope and realism. It is realistic in the sense that no matter what structures we put in place, the distribution of wealth and land will become imbalanced, requiring a major adjustment. It is hopeful and daring in laying out how such a major readjustment should occur.

What I find most compelling, though, is its inherent recognition that no social, political or economic system can guarantee the well-being of everyone. To put all one's faith in any system is a form of idolatry. The Jubilee vision challenges the triumphant claims of global capitalism – that it is the best and only system for organizing society. No matter what system is in place, some will become rich at the expense of others and debts will be accumulated that can never be repaid. Because of this, say Jubilee supporters, we need a mechanism to take stock and 'wipe the slate clean'.

Two regional launches for the growing Jubilee movement have taken place so far: one in Ghana and the other in Honduras. And a global Jubilee conference was held in Rome last January. The debates were often intense with many points of disagreement. But in the end we all agreed that debt cancellation is one necessary step towards transforming our global economy – though not the only one. Current initiatives for debt relief are not simply inadequate, they are unjust and ineffective as well. Conditions imposed by the North were rejected – they should be set *by* the South *for* the South, with increased participation by civil society in the cancellation process.

For veteran debt campaigners there is a lot to learn. Not only does the campaign have popular appeal and support, the Jubilee message is also aimed at many levels of society. Instead of restricting itself to lobbying policy-makers, it has taken the message on to the streets and into the mainstream media. The campaign has received the official endorsement of church hierarchies, from the Pope to the Anglican Bishops to the World Council of Churches.

Yoko Kitasawa, co-chair of Jubilee 2000 Japan considers the Jubilee campaign, 'the most successful campaign uniting trade unions, religious groups, NGOs and

JUBILEE 2000 COALITION

We, the undersign
unpayable debts of the most impove
Peter Mandelson
Bon
o Bra
Des

Third World Voices on

Molefe Tsele (below), South African Jubilee campaign: 'The Jubilee message speaks to the South because it is striking a nerve with those who are suffering the most. It's so conspiratorial that only the poor could have come up with such an outrageous scheme!'

JOHN MIHEVC

Rogate Mshana, Tanzania Jubilee campaign: 'If our country continues to pay the rich while children die of hunger and lack of health services, we are offending God.'

Zie Gariyo, Uganda Debt Network: 'The difference for me and most of us in the Jubilee 2000 campaign is that for the first time it is oriented towards the masses of people themselves... The message is clear and simple and not complicated by economic posturing, with formulas other social movements working for the impoverished people of Africa and the South.' While Annika Lysen of the Swedish Jubilee campaign notes: 'This campaign has forced the so-called "debt experts" to communicate their message more clearly, but also to be more accountable to the public.'

These global campaigns and coalitions will not simply disappear in 2001. For David Musona of the Zambian Jubilee campaign, the most important lasting benefit is the greater capacity of groups at the local level to understand economic policy-making and to speak out in their own interests. Now, he says, governments and international financial institutions will no longer be able to ignore local groups directly affected by their decisions when they consider taking on new loans.

Northern groups need well-articulated Southern campaigns to give them their politics. The onus is on us to arrive at a similar vision of social transformation and to coalesce to become a truly global movement into the next millennium. ■

John Mihevc is Co-ordinator of the Economic Justice Programme at the Inter-Church Coalition on Africa, which is a member of the Canadian Ecumenical Jubilee Initiative. He is author of *The Market Tells Them So: The World Bank and Economic Fundamentalism in Africa* (Zed Books, London, and Third World Network, Penang, 1995).

Break the chains

In the world of international finance, the creditors hold all the cards. **Ann Pettifor** argues that there's a need for a Debt Review Body and a new 'concordat' for debtors and creditors alike.

When delegates from Jubilee 2000 Coalitions from 40 countries met in Rome in November 1998 they were adamant that tough conditions should be imposed on debtor nations in return for debt relief.

However, they made it clear that these conditions had to be monitored and controlled by citizens of the debtor nation itself. By ensuring that the voices of women's organizations, opposition parties, trade unions and other non-government bodies are heard, Jubilee delegates stressed that debt relief could be doubly effective: first, as money to benefit the poor; second, as empowerment of the poor.

My contribution to the debate is to push for a mechanism that would help to ensure this. Because there is no international insolvency law – in fact, no international financial law at all – creditors dominate by default. The International Monetary Fund (IMF) acts as their agent and representative. IMF funds are used to bail out private and public creditors threatened with losses and to set conditions for new loans to pay off old ones.

These conditions are biased in favour of creditor interests and oblige debtors to make repayments before any other spending. As a result, creditors play the role of plaintiff, judge and jury in the court of international debt. These creditors use loans to promote their own interests and then use negotiations as a way of exercising leverage over sovereign economies.

This arbitrary, biased and highly protectionist system has worked for years without any real challenge. My proposal (which owes much to the ideas of Professor Kunibert Raffer of the University of Vienna) is for a new mechanism to guarantee independent arbitration.

The core of this proposal is for an independent Debt Review Body (DRB) that would act as a binding arbitration panel. The appointment and work of the DRB could be overseen by the UN. The process for setting up and maintaining the DRB need not be bureaucratic or cumbersome. It requires only the confidence of the debtor government on the one hand and creditors on the other.

An independent Debt Review Body would defend the sovereignty of the debtor

BREAK THE CHAINS OF DEBT

VANESSA BAIRD

Get the message? Outside the Birmingham G7 meeting in June 1998.

Call for cancellation comes from all directions.

ed, call for the cancellation of the
shed nations by the year 2000
Tenzin Gyatso, Dalai Lama

the Jubilee Campaign

that very few people understand. The Jubilee campaign in Uganda cuts across the broad section of society and addresses issues of development and human rights as well as social justice.'

Alejandro Bendaña (below), Nicaragua Jubilee Campaign: 'We need each other, the one side looking to the heavens and the other at their accountant books. They have to come together, and that's what the Jubilee is doing.'

JOHN MIHEVC

Helen Wangusa, African Women's Economic Policy Network: 'Most of the Southern groups feel they are playing "catch-up" on a campaign that is well advanced in most Northern countries on a narrowly defined agenda that has been set in the North.'

nation, strengthening democracy and accountability whilst also being fair to creditors. Its first task would be to commission a full audit of outstanding public debt. It would simultaneously ask for government plans for economic recovery – and support for the poor. Open, public hearings would then be held to assess the proportion of debt which is unpayable. Decisions would be based on human-development criteria and on the costs of reconstruction and economic recovery. Next it would publish its binding conclusion.

The Debt Review Body would then work with debtor and creditor representatives to draw up a plan or 'concordat'. This would outline how much debt can be defined as 'unpayable' and is to be cancelled; set up auditing and monitoring processes to ensure that money released goes into economic recovery and poverty reduction; and establish a Poverty Action Fund to facilitate the flow of freed-up resources to the poor.

Transparency must be central to debates and decisions about the concordat. Local organizations should be given a 'right to be heard'. By these means the Debt Review Body would contribute to democratic debate, growing economic literacy and the strengthening of democratic institutions in debtor nations.

If the government of a debtor nation defaults on its obligations then there must be harsh penalties – for example, if a new regime takes power, refuses to honour commitments under the concordat and prevents local organizations from giving evidence to the DRB. In particular, if the DRB concludes that the concordat has been violated, then new loans and aid payments should be withheld.

The point of an independent arbitration process is that it could impose discipline on both the lender and the borrower. The lender could face serious losses from loans made to sovereign governments. The borrower would be disciplined too, not just by local democratic forces but also by greater caution from Western creditors about making loans to governments that borrow recklessly, without the obvious capacity to repay.

Tackling debt cancellation without tackling the flawed process of international lending will never permanently break the chains of debt and let the impoverished world get off its knees. Thousands of Jubilee 2000 supporters travelling to Cologne in June will not be satisfied with a band-aid approach. They want to see genuine political will to find a lasting solution. ■

Ann Pettifor is Director of the UK Jubilee 2000 Coalition.

LEEDS TO BIRMINGHAM
JUBILEE 2000 COALITION
CANCEL THE DEBT!

JUBILEE 2000 COALITION

Pedal power propels protest.

Also worth reading on debt...

Not a great deal of good new writing on 'Third World' debt has emerged since the ground-breaking work of **Susan George**, whose last book on the topic was *The Debt Boomerang* (Pluto Press, London, with the Transnational Institute, Amsterdam, 1992). Perhaps the most important task now is to put debt in its wider context, and for this you can't do much better than **Michel Chossudovsky** *The Globalization of Poverty* (Third World Network, Penang, Malaysia) which, though dense, is rewarding and packed with case studies. Also try **Michael Rowbotham** *The Grip of Death* (Jon Carpenter, Charlbury, 1998). *Economic Justice Report* is published four times a year by the Ecumenical Coalition for Economic Justice, 947 Queen St E, Ste 208, Toronto, ON M4M 1J9 – a carefully researched newsletter offering an alternative analysis of global economics. For the rest, try some of the Jubilee 2000 web sites listed below, which are all easy to use, with press cuttings, features and helpful links.

ACTION

The Jubilee 2000 campaign to cancel Third World debt has spread around the globe. Here are the main groups in each region. If the one you want isn't here, the nearest one should be able to help.

Aotearoa/New Zealand
Jubilee 2000/Debt Action Network, c/o CWS,
PO Box 22-652, Christchurch. Tel: +64 3 366 9274;
Fax: +64 3 365 2919; e-mail: gsouthey@actrix.gen.nz
or cws@christianworldservice.org.nz

Australia
Jubilee 2000 Debt Coalition,
PO Box 289, Hawthorn,
3122 Victoria.
Tel: +61 3 9815 1677;
Fax: +61 3 9818 3586;
e-mail:
grant@tear.org.au

Britain
Jubilee 2000 Coalition,
PO Box 100, London
SE1 7RT. Tel: +44 171 401 9999;
Fax: +44 171 401 3999;
e-mail: mail@jubilee2000uk.org
Website: http://www.jubilee2000uk.org

Canada
Canadian Ecumenical Jubilee Initiative, PO Box 772,
Toronto, Ontario M4Y 2N6. Tel: +1 416 922 1592;
Fax: +1 416 922 0957; e-mail: jubilee@devp.org
Website: www.web.net/~jubilee

Europe
EURODAD, rue Dejoncker 46, 1060 Brussels, Belgium.
Tel: +32 2 543 90 60; Fax: +32 2 544 05 59;
e-mail: eurodad@agoranet.be

Ireland
Jubilee 2000 Ireland, 23 Shangan Rd, Ballymun, Dublin 9.
Tel: +353 1 842 8016; Fax: +353 1 862 0981; e-mail: ddc@connect.ie

Jubilee 2000 Afrika Campaign
Jubilee 2000 Afrika Campaign Secretariat, PO Box 1938,
Community One, Tema, Greater Accra Region, Ghana.
Tel: +233 21 779073; Mobile: +233 21 27 55 1939.

Jubilee 2000 Latin America
Organizacion de Organismos No
Gubernamentales, Apd Postal # 2239,
Tegucigalpa, Honduras.
Tel/Fax: +504 239 0723.

South Africa
Jubilee 2000 South Africa
Campaign, c/o Alternative
Development and
Information Centre (ADIC),
PO Box 1139, Woodstock.
Tel: +27 21 448 5197;
Fax: +27 21 47 8583;
e-mail: aidc@iafrica.com
Website:
http://www.aidc.org.za/j2000/index.html

US
Jubilee 2000/USA, 222 East Capitol St NE, Washington,
DC 20003-1036. Tel: +1 202 783 3566; Fax: +1 202 546 4468;
e-mail: coord@j2000usa.org
Website: http://www.j2000usa.org/j2000

Global and local
June 18th 1999, an informal network organized largely through the Internet, is planning an 'international day of action aimed at the heart of the global economy – the financial and banking districts' to coincide with the G7/8 Summit in Cologne. Contact them on http://www.gn.apc.org/june18

Reviews

film

The Windhorse
directed by **Paul Wagner**

The Tibetan 'windhorse' is a winged creature believed to carry prayers along its back to spirits residing in lakes, mountains and trees. Since the Chinese invasion of Tibet, however, says the narrator of this quietly impassioned film, the windhorses have gone.

The source of these words is the narrator's deceased grandfather, killed by the Chinese authorities 18 years ago. Today his grandson, Dorje, lives with his family in Tibet's capital, Lhasa – jobless, disillusioned with peaceful methods of agitation, and suppressing his frustrations in drink. His sister Dolkar (played by Tibetan American singer Dadon) has assimilated easily into Chinese culture. A singer in a nightclub, she is on the verge – thanks to her Chinese radio producer boyfriend – of launching a recording career. Cutting a deal with a record company boss, she is told to sing pop songs lavishly praising the authorities, a task she pitches into with alacrity while her brother looks on in disgust.

Both Dolkar and Dorje (Jampa Kelsang) have accommodated themselves to life under occupation with varying degrees of complacency. However – days after a 1997 ruling outlawing the display of posters of the Dalai Lama and even the right to speak of him – their cousin Pema, a nun, launches an impromptu protest against the decree. In the centre of Lhasa, she raises a fist and cries out for Tibet's freedom. Thrown into prison, Pema is brutally tortured and only released into her family's care in order to die.

While Pema (top) protests Chinese oppression; Dolkar (right) sings to it.

The script may come across as a little stilted at times, but this hardly matters: the passion and commitment of the cast and crew, many new to film-making, is wholehearted. For the most part they belong to Tibet's exiled community in Kathmandu and the incidents portrayed in the film, including Pema's incarceration and torture, closely reflect life in Tibet today. The fact that many of the cast – including the delightfully animated grandmother and the dignified Pema herself – have refused to list their names in the credits for fear of reprisals, speaks volumes for the courage of the enterprise.

For all the strength of its message the film's tone is predominantly lighthearted, humorous even, particularly when grandma is allowed to take centre-stage. Similarly, flashbacks to Pema's torture in prison are especially effective for being portrayed with a spare elegance. All of which helps mitigate occasional lapses into didacticism.

Released to coincide with the fortieth anniversary of Tibet's occupation by China, **The Windhorse** is a reflective look at the society's loss of spiritual and political independence. Given the way the story dovetails into so many real, everyday tragedies, it's also a fitting tribute to a people still in considerable need of international support.

Politics ☆☆☆☆☆
Entertainment ☆☆☆

EE

books

Profit Over People: Neoliberalism and global order
by **Noam Chomsky**
(Seven Stories Press, ISBN 1 888363 82 7)

If you can walk you can dance
by **Marion Molteno**
(Shola Books, ISBN 0 9519752)

The Picador Book of Contemporary Chinese Fiction
edited by **Carolyn Choa** and **David Su Li-Qun**
(Picador, ISBN 0 330 35264 4)

Daughter of the River: An autobiography
by **Hong Ying**
(Bloomsbury, ISBN 0 7475 3983 9)

Noam Chomsky, scourge of unaccountable power and shoddy reasoning, has been harrying our imperious masters and their supine media claque for over four decades. His latest book, a collection of recent articles and lectures, confirms his continuing relevance as a debunker of 'free market' myths. The book's theme is the onward march of 'Neoliberalism', the doctrine of unfettered trade which uses the market to concentrate power and wealth in the hands of the unelected few and inexorably drive down living standards for the abject many. This philosophy – 'capitalism with the gloves off' – sustains the gadarene dash towards globalism and the supremacy of the transnationals.

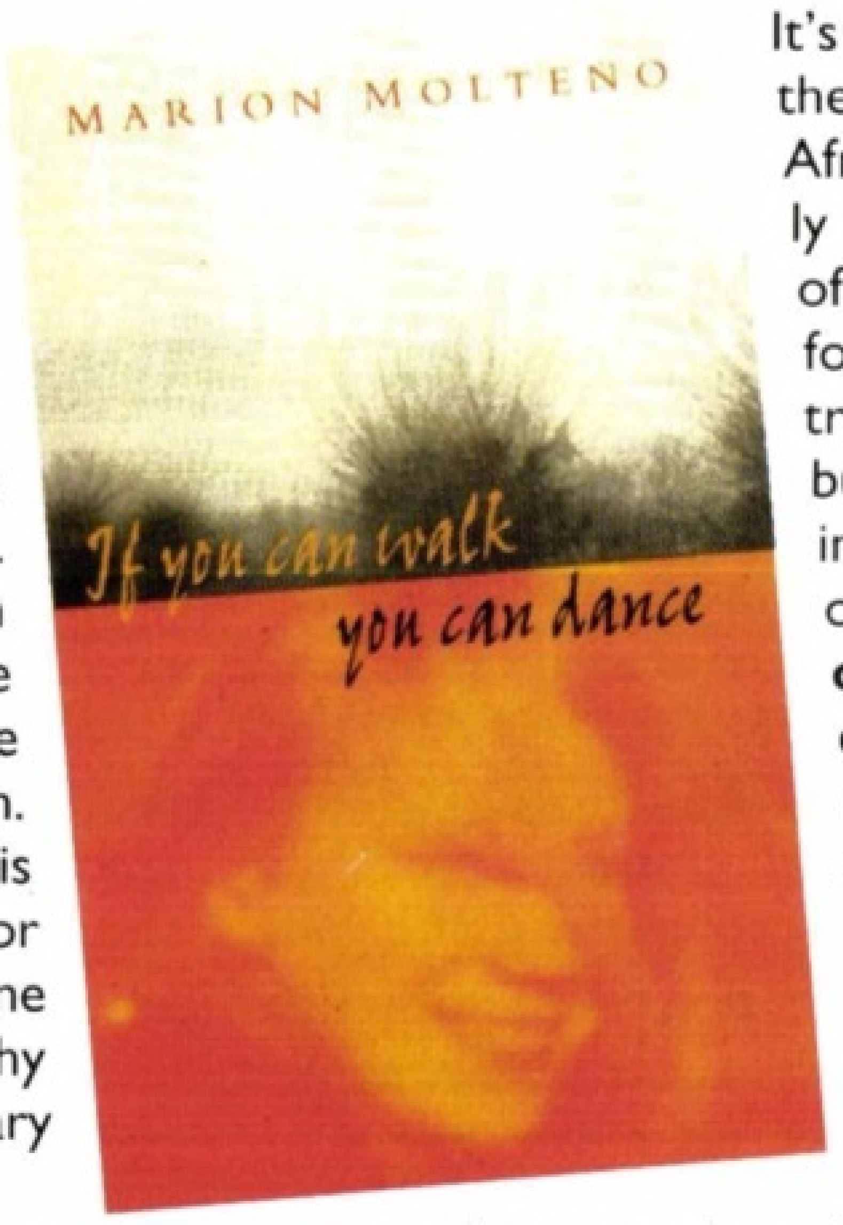
Chomsky brilliantly dissects neoliberalism's morally and intellectually barren rationale. The operating principle of 'state capitalism', observed in Clinton's US, Blair's Britain and various other vassal states, is epitomized in Oliver Goldsmith's phrase, 'laws grind the poor and rich men make the law'. The danger for democracy lies in the overweening power of the police of the new world order – the IMF, The World Bank and so on. When the democratic process is reduced to 'trivial debate over minor issues by parties that pursue the same pro-business policies', voter apathy and alienation become the weary norm.

As Chomsky says, hypocrisy lies at the heart of this doctrine; socialism for the rich – in the form of tax breaks, subsidies and government bailouts of the corporate sector – and imposed free-market discipline for the poor.

This laser-sharp book is for everyone who has raged at our representatives' craven surrender in the face of corporate rapacity – the latest example being the audacious attempt to privatize the world's food chain via genetically modified food. It may not make comfortable reading but, as Chomsky says, the greatest fear of the aristocrats of the market is an informed and organized opposition where people act as citizens not consumers and recapture democracy as a tool of a global movement not a global market.

Politics ☆☆☆☆☆
Entertainment ☆☆☆☆

PW



It's not an uncommon theme: a young South African woman is unwittingly caught up in the politics of the apartheid era and is forced to leave her country, friends and family to build a new life in exile. But in doing so the protagonist of **If you can walk you can dance** discovers an extraordinary passion for music – from the mesmerizing patterns of the African *mbira* or thumb-piano, to her own tentative attempts on the viola.

Marion Molteno's novel sweeps through the 1970s, through rural Africa and a marriage of convenience, to shared households in London and exile in Zambia. The harmonies and rhythms of the music – sometimes harsh and jangling, sometimes smooth and beautiful, sometimes the steady beating of the heart – become part of a pattern the heroine Jenny has to recognize and integrate while at the same time trying to weave

THE CLASSIC

Central Station

...being the film leading a renaissance in Brazilian cinema.

THERE is an exquisite shot during Walter Salles' award-winning **Central Station** when nine-year-old Josué – his mother dead, his father's whereabouts unknown – steps out of a doorway and into the Brazilian noonday sun. The boy's green shorts and clean shirt exactly mirror the tones of the desert landscape that surrounds him. His slight figure all but bleaches out into this vast nation.

The impression of being lost in unfamiliar country, economically insecure and wholly reliant on one's wits and the compassion of strangers, lies at the heart of Salles' vision. The simple fable of Josué and Dora, the middle-aged letter-writer who reluctantly accompanies the child on his cross-country search for his father – and the love and respect that gradually blossoms between this odd couple – cleverly translates into an exploration of Salles' homeland. As both writer and director he has, with subtle power and via the genre of the road movie, crafted an impression of Brazil that expresses its contemporary political, social and spiritual concerns.

Josué, played by shoeshine boy Vinicius de Olivera, with his unlikely travelling companion, letter-writer Dora (Fernanda Montenegro).

'Today, an important quest is surfacing: the desire to find another country, one that may be simpler and less glorious than previously announced, but aims to be more compassionate and human. A country where the possibility of a certain innocence still remains,' the former documentary-maker has explained.

The making of **Central Station** is itself an example of a renaissance taking place within the Brazilian movie industry. According to Salles: 'The latent desire to rediscover a country, to redefine ourselves, coincides with the necessity to continue a cinematic tradition that was brutally interrupted for polemical and economic reasons – perhaps because it depicted faithfully what took place in Brazil, in contrast to what was shown on television.'

To this end, the production mixes raw cinematic talent with seasoned professionals. The much-lauded top Brazilian film actors Fernanda Montenegro as Dora and Marilia Pêra as her glamorous neighbour Irene, complement shoeshine boy Vinicius de Olivera in his beguiling debut as the lost child. Making ends meet for his family at Rio de Janeiro Airport, the ten-year-old was himself a product of the heaving internal migration from Brazil's rural northern states to the industrialized southern cities.

It was not just Vinicius' natural acting talent that won him the role. When he was invited to audition he insisted that his shoeshining friends also be auditioned, which indicated to the producers that they had probably found the right child for the role. Now, rather than returning to his old job after filming was over – so often the fate of child movie actors from the South – Vinicius is enrolled in school.

Like Vinicius and his family, the illiterate commuters from Rio's suburbs who flock to Dora's desk at the city's main railway station are mainly migrants from the North East; those who believed the promises of an economic miracle occurring in the urban south. Their letters tell of families, loved ones left behind, of the human fall-out of government policy. The legacy of this floating population – Central Station being the hub of so many of their travels – is deep insecurity.

Dora uses squabbles with Josué about what his father is really like to project her pain and disillusion with her own father. But this is also a metaphor for the betrayed hopes of millions of ordinary Brazilians in a land beset by greed and corruption in high places, and a vast, unending divide between rich and poor. Josué's staunch and hopeful defence of a father he has never seen, however, suggests the vital need for optimism. His youthful, blunt questioning also reveals his craving for adults to be in stable relationships with each other – he is obsessed with marriage – though most of the people he actually meets live alone.

Life is cheap and fate is a lottery. Even Dora cannot be trusted actually to send all the letters in her charge. It's a matter of chance, luck, which she will send, which she won't. Simple religious faith acts as the cornerstone to many an impoverished, fractured life. But Salles' treatment of this theme is not without humour and irony: as an evangelist boasts of the nation's young people flocking to follow Jesus, a penniless Josué seizes the moment to stuff stolen biscuits under his shirt. ■

Catherine von Ruhland

Central Station, directed by Walter Salles, is distributed by Buena Vista.

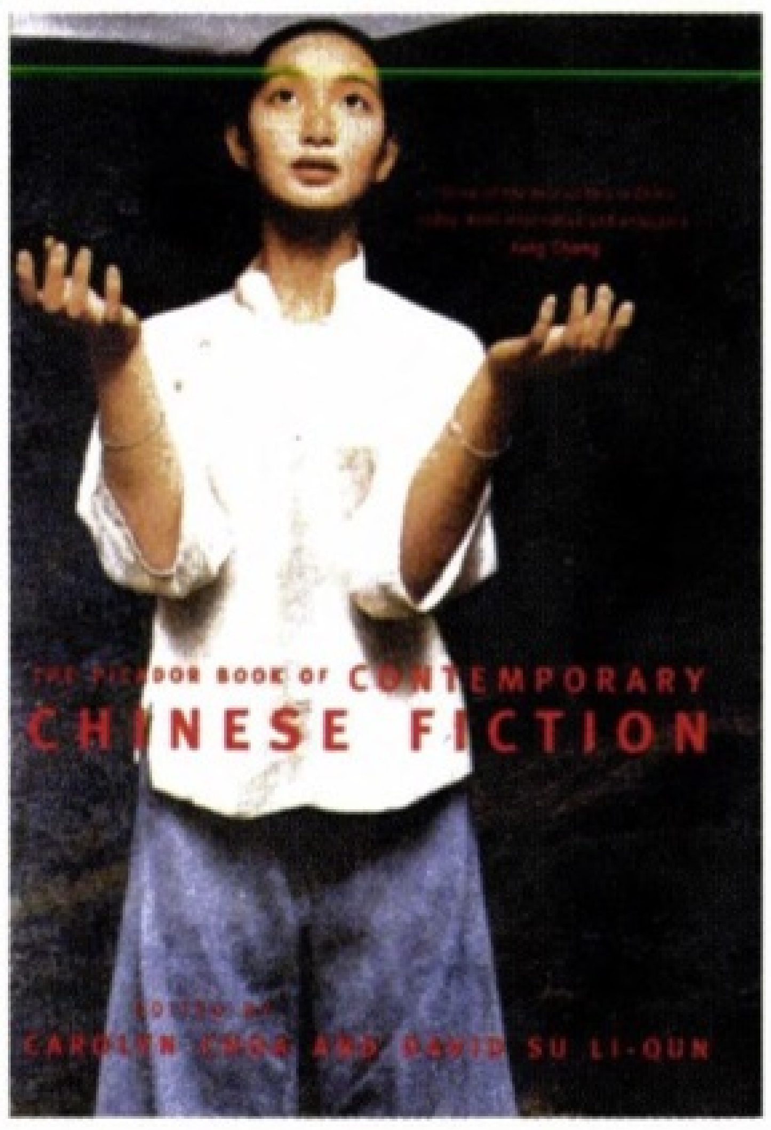
books – continued

together the disparate threads of her life. It is this rhythm which informs the book as the reader is taken from Africa to England; then from London to Lusaka; and finally back to South Africa again. At times the English part of the narrative drags a little: Molteno's heart, like her character's, clearly lies in Africa, where the book comes to its moving finale.

Politics ☆☆☆
Entertainment ☆☆☆ NvdG

Though extraordinarily varied, the stories in **The Picador Book of Contemporary Chinese Fiction** seem rather old fashioned in that they have a moral. Several take the form of fables with a twist in the tail – though 'The Lovesick Crow and Other Fables' (Wang Meng) is a spellbindingly surreal offering. Often written in the first person, poignancy abounds, especially in 'The Tall Woman and Her Short Husband' (Feng Ji-cai). A chronicle of China before, during and after the Cultural Revolution, this book provides an intriguing variety of insights. A delightful collection, glowing with humour.

Politics ☆☆☆
Entertainment ☆☆☆☆ CB



By contrast, **Daughter of the River** is at times skin-tighteningly grim. It's a mix of bizarre events and down-to-earth descriptions of growing up in Chongqing, a slum by the Yangtze River. A misfit with 'hunger in her heart', the author as child is forever bickering with her brothers and sisters; obsessed with rooting out the family secrets. She loathes her mother and is closest to her blind father. After the tragic deaths of her first lover and her baby, she escapes into dancing, drinking and parties until she's finally rescued by writing. The Chinese saying 'May you live in interesting times' is meant as a curse. This book shows you why.

Politics ☆☆☆
Entertainment ☆☆☆ CB

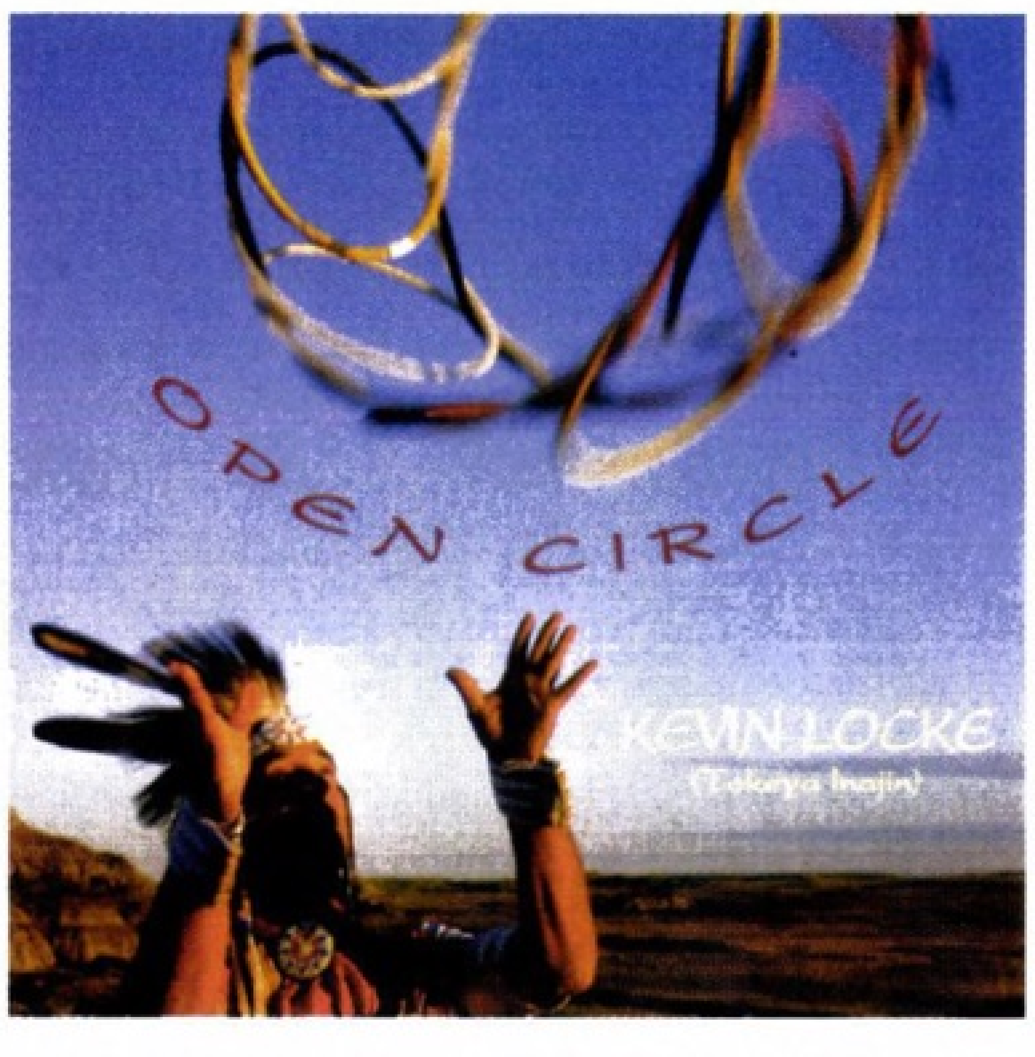
Reviews

Open Circle
by **Kevin Locke**
(Makoché MM0135D CD)

Spirit Song
by **Owiakeyakao**
(Makoché MC0110D CD)

If record shops ever invented a new category of 'hard listening' then it might be filled with works by artists such as Kevin Locke. And a good thing, too. That's not to say Locke – or, to give him his Lakota Indian name, Tokeya Inajin – writes unlistenable music: far from it. His songs for Native American flute and percussion are extraordinary pieces that simultaneously express a sense of fluidity and strength – as his eleventh album **Open Circle** affirms. That such qualities shine through at all is testimony to Locke's skillful art, for it's long been acknowledged that Native American music – Hollywood-inspired chanting aside – is a 'difficult' sound for untuned ears. Formed out of ancient rhythmical ideas and cadences, the music's structure and aim may not be at first obvious. In a culture where easy access equals survival, 'difficult' music defines itself in adversity. There have been various attempts to bridge the divide, ranging from the sublime (Sioux national John Trudell's rock-tinged take on Native American music) to the ridiculous (all those New Age-inspired synth jobs). Indeed, that **Open Circle's** sleevenotes state no synths were used in production has a significance beyond the studio. But it is an adventurous album, filled with strange and wonderful combinations of sounds: Siberian bullroarers, Aboriginal didgeridoos, African drums, whistles made from eagle bones and flutes, singers and dancers. The haunting rendition of 'Amazing Grace' which opens the album offers something of the spirit that permeates the proceedings. One may not understand the words of traditional Lakota songs without reference to the sleevenotes but the sense of wonder, and of welcome to all races, is marked.

Politics ☆☆☆☆
Entertainment ☆☆☆



The Lakota community that Locke's music stems from is presented more explicitly on **Spirit Song** ('B'u Hla Hó Zo'). An exuberant album of songs commemorating victories, memorials, horse-stealing, honour and even sobriety, it was recorded under the auspices of Standing Rock College, North Dakota where the 16-strong Owiakeyakao are based. Intended as a record of traditional music, it's also an album that makes strong links to the present and future. From the first moments – a stirring and dignified 'Song of Departure' in which drums and voices in unison sing of transition – it is an unavoidably arresting album, as emotional as it is exciting. It's simply produced – nothing extraneous to the mighty percussion and song is allowed to distract the listener's attention. And there are few things as moving as that of the human voice raised.

Politics ☆☆☆
Entertainment ☆☆☆

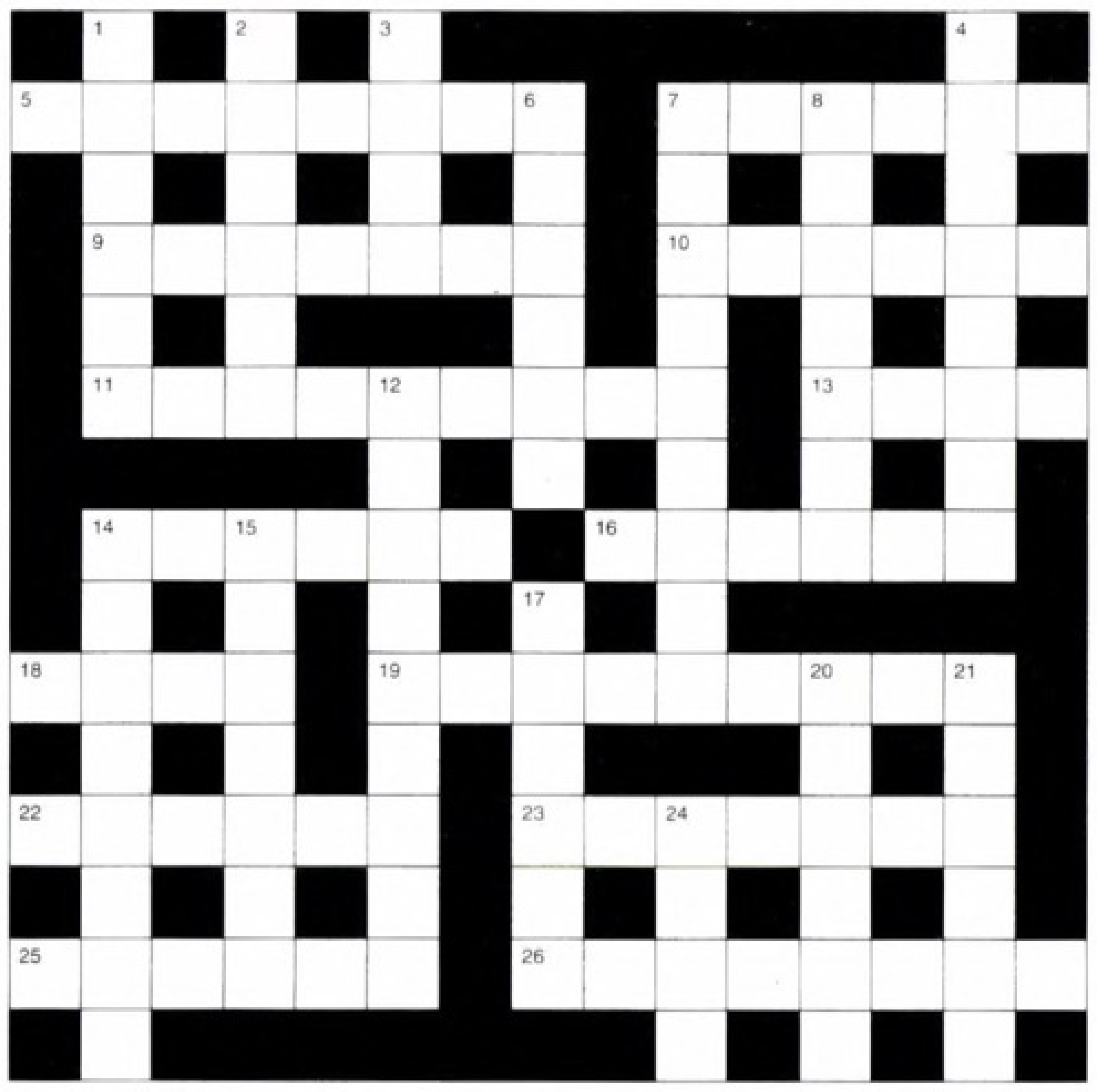
LG

STAR RATING	
Excellent	☆☆☆☆☆
Very good	☆☆☆☆
Good	☆☆☆
Fair	☆☆
Poor	☆

Reviewers: **Esi Eshun, Peter Whittaker, Carole Baldock, Louise Gray, Nikki van der Gaag**
Reviews editor: **Vanessa Baird**

The NI Crossword

No 32 by Axe



CRYPTIC

Across

5,7 They said thievin' crook lived in pretty shady surroundings here! (8,6)
7 See 5
9 Run around in ring for 24 hour period (7)
10 Peak time ending, about to take coach (6)
11 Barker's originally from south of the border (9)
13 Hard left from Rhine indirectly leads to Ireland (4)
14 Siamese head off, pale, for the country (6)
16 See 14d
18 English city after Shakespearean is late and left behind in charge (4)
19 Barnacle-encrusted ring found in Spain (9)
22 Little Richard reported to have met half Tatler's settlement decree (6)
23 Commonly used book of verse? (7)
25 US revolutionary, but in Nicaragua it's pedestrian... (6)
26 ... while monks revolt within the French dissident settlement in Russia (8)

Down

1 African-speaking commercial set in fashionable surroundings (6)
2 I furl one untidily for the area around old Trieste (6)
3 Is his service provided by satellite? (4)
4 As cisalpine city falls short, South African backs Spanish region (8)
6 Hide, not very well, the record in the Greeks' sanctuary (6)
7 English father begins to cover Australian port (9)
8 Buck eggs on the female! (3,4)
12 Asian capital for Ural fiasco in British-led Nato action (4,5)
14,16 Steamy passions have whirlwind consequences (8,6)
15 Aggravate broken tooth in Siberia (7)
17 French vines dug up?... (6)
20 ...12 bottles found in boyo's pack – but half-back is the creator of the Irish play (6)
21 I'm sage but affected by this prejudice (6)
24 Christmas suffers reversal in Mexico (4)

QUICK

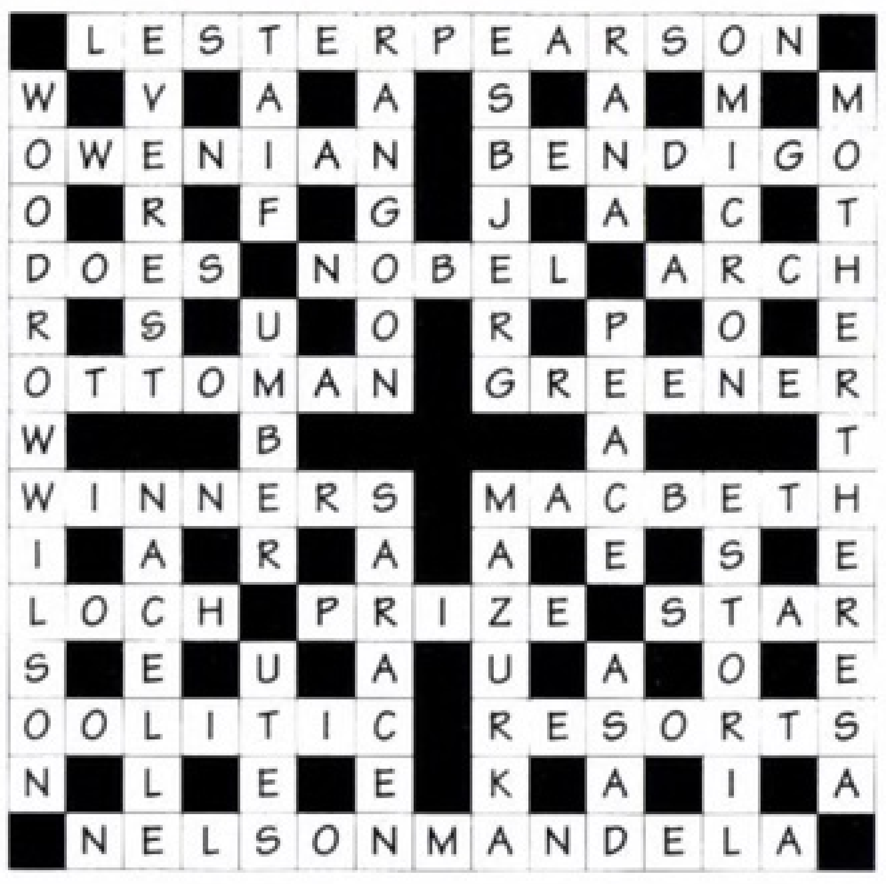
Across

5,7 Belt of woodland in the English Midlands (8,6)
7 See 5
9 Flower which opens during the day (7)
10 The world's southernmost active volcano (6)
11 Mexican town giving name to a breed of animal (9)
13 Archaic name for Ireland (4)
14 Formosa until 1949 (6)
16 See 14d
18 England's second Anglican archbishopric (4)
19 Chief city of Catalonia (9)
22 An imposed statement or settlement (6)
23 Roman Catholic Bible of St Jerome and others (7)
25 William ———, US adventurer, who became Nicaraguan President in 1856 (6)
26 Historically strategic city of western Russia, on the Dnieper River (8)

Down

1 African group of languages, the most important being Hausa (6)
2 Historic region of southern Europe, now shared between Slovenia and Italy (6)
3 Founder of the Unification Church (4)
4 Heavy industrial region of northern Spain (8)
6 Sanctuary of Apollo on Mt Parnassus (6)
7 Major port of Western Australia (9)
8 Small species of woodland animal, often the female red (3,4)
12 Mongolian capital (4,5)
14,16 Hurricanes, for example, when moderating (8,6)
15 Siberian city, a favourite amongst climatological statisticians for its temperature extremes (7)
17 wine growing region south of Bordeaux (6)
20 Irish nationalist playwright of the post-WW1 period (6)
21 possible prejudice when job-hunting (6)
24 Major city of Mexico and Nicaragua – city and former kingdom of Spain (4)

Last month's solution



■	L	E	S	T	E	R	P	E	A	R	S	O	N	■
W	■	V	■	A	■	A	■	S	■	A	■	M	■	M
O	W	E	N	I	A	N	■	B	E	N	D	I	G	O
O	■	R	■	F	■	G	■	J	■	A	■	C	■	T
D	O	E	S	■	N	O	B	E	L	■	A	R	C	H
R	■	S	■	U	■	O	■	R	■	P	■	O	■	E
O	T	T	O	M	A	N	■	G	R	E	E	N	E	R
W	■	■	■	B	■	■	■	■	■	A	■	■	■	T
W	I	N	N	E	R	S	■	M	A	C	B	E	T	H
I	■	A	■	R	■	A	■	A	■	E	■	S	■	E
L	O	C	H	■	P	R	I	Z	E	■	S	T	A	R
S	■	E	■	U	■	A	■	U	■	A	■	O	■	E
O	O	L	I	T	I	C	■	R	E	S	O	R	T	S
N	■	L	■	E	■	E	■	K	■	A	■	I	■	A
■	N	E	L	S	O	N	M	A	N	D	E	L	A	■

The **NI** Interview

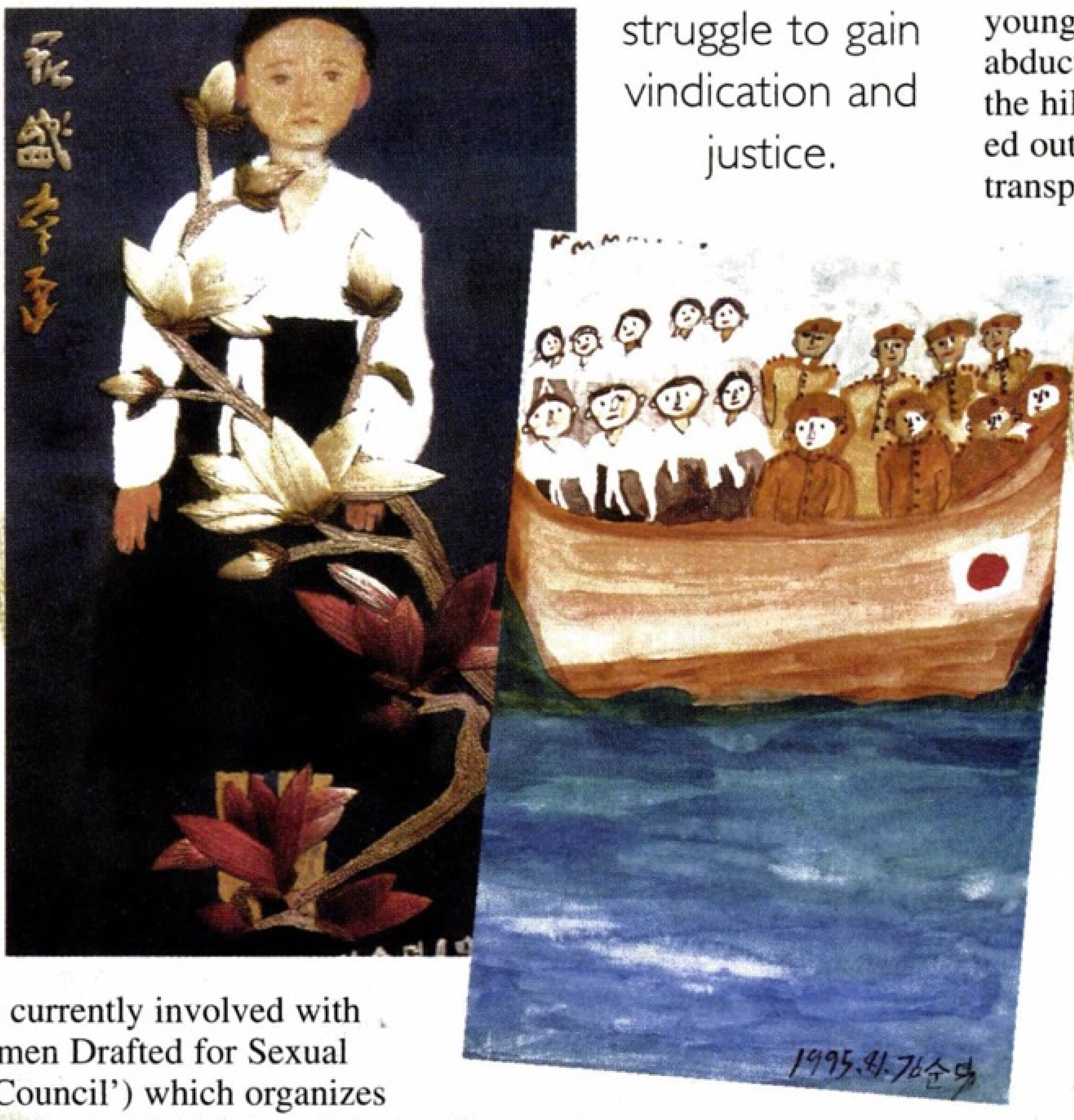
NOREEN SHANAHAN

Kim Soon-duk

Noreen Shanahan hears a Korean story of teenage years of sexual enslavement and abuse – and a life-long struggle to gain vindication and justice.

When I first saw Kim Soon-duk I thought she looked like a ghost with a story to tell. She sat alone in the shadows of Trinity-St Paul United Church in downtown Toronto. The frail 78-year-old Korean was dressed in a lacy yellow gown which sported a perpetually fingered white-paper rose corsage. I spoke with her later as we crowded into a small living-room. I was struck by her courage. But the words didn't come easily. She was having an obvious struggle in meeting my eyes. She couldn't do it as she recalled for me the indignities of being a teenaged comfort woman in Shanghai. Only twice was she able to maintain our eye contact: the first time when she described her weekly protests outside the Japanese Embassy in the Korean capital of Seoul; and then again when she talked to me of her art.

One of her paintings shows the closed bud of a flower resting against a young girl's cheek. For her this represents her experience of abduction by the Japanese military from her village in rural Korea at 15 years of age, and then being forced into sexual slavery until the end of the Second World War three years later. At first Kim thought they were taking her to Japan to work in a factory, but she soon discovered herself in Shanghai, where she was raped daily by dozens of Japanese soldiers. 'We were placed in a small room and there were a lot of soldiers waiting at the door,' she said. 'I was very sick. I couldn't sit down, I was so badly bleeding. When the army moved, we all moved with them.'



An estimated 200,000 young women, predominantly from Korea (then colonized by Japan) were taken from their homes and, like Kim, brutally assaulted. These 'comfort women' – *halmoni* in Korean – kept this secret for 50 years. Kim Soon-duk was already well into her 70s when she joined a growing chorus of voices and finally told her story. She is currently involved with The Korean Council for the Women Drafted for Sexual Slavery in Japan ('The Korean Council') which organizes weekly protests in Seoul, where Kim is a faithful participant. She also goes on international speaking tours such as the one that has brought her to Toronto.

The former comfort women are demanding a full apology and compensation from the Japanese Government as well as a thorough investigation into these long-denied wartime atrocities. They feel that only through public exposure and education will it be ensured that such crimes are never repeated.

National, gender and class issues all come together in the cause of the comfort women, according to a brief published by the Korean Council. Because they were daughters of a colony, and because they were poor, the young women suffered a series of hardships that ended up destroying their individual wills. Kim Soon-duk echoes this view, as she describes how the weekly Seoul protests 'make me feel that serving as a sexual slave only happened yesterday'.

When the 15-year-old Kim learned that young girls in her village were being abducted by Japanese soldiers, she hid in the hills near her home. She was soon routed out, loaded on to a military truck and transported to the front lines. 'What I heard was that if I didn't want to go, they would take my older sister or younger sister. I had no choice. I had to go.'

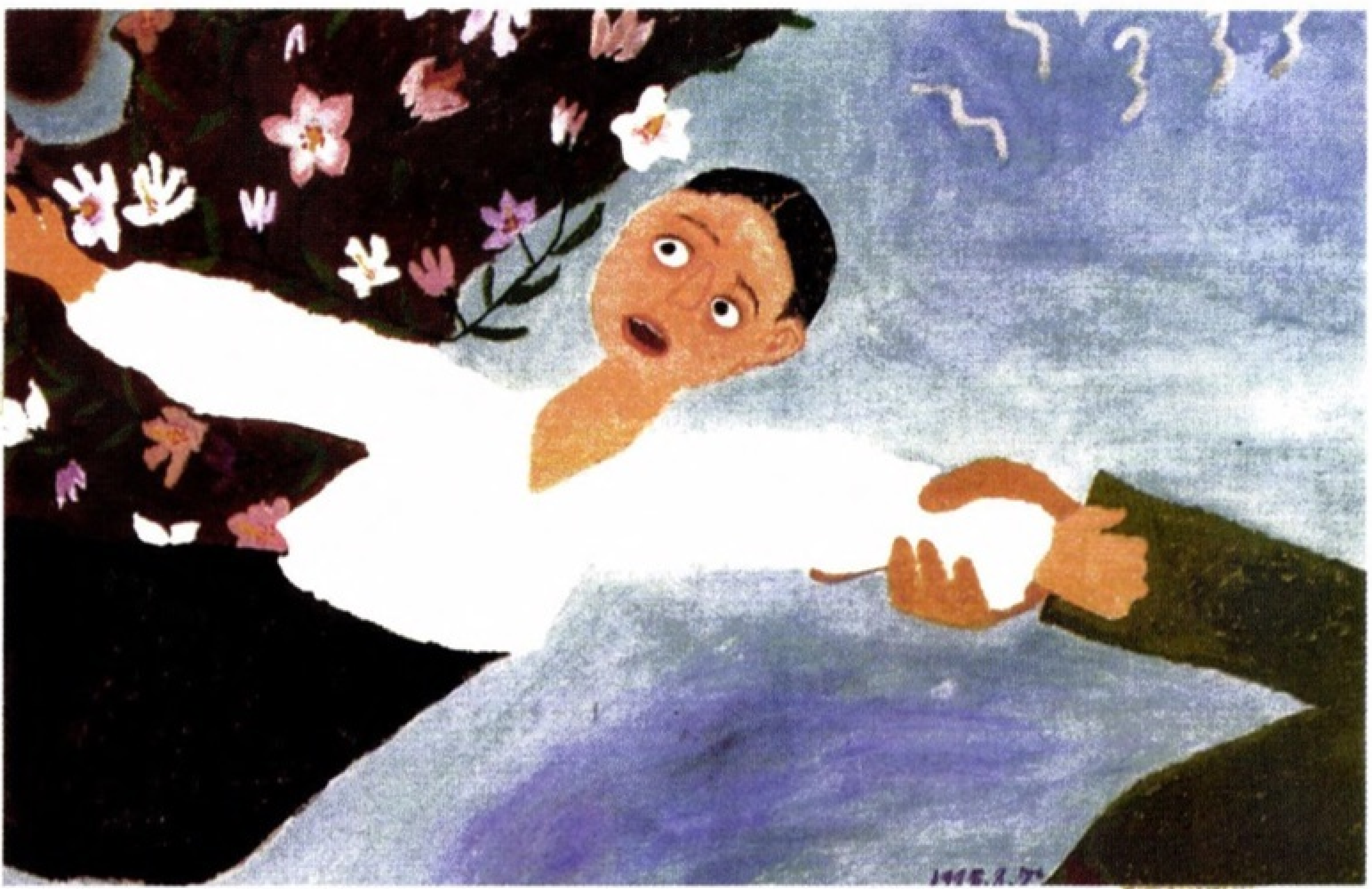
Her earliest memories of those years include being taken to a dilapidated house in Shanghai which the army had taken over in order to establish a 'comfort station' for the soldiers. 'They made little stalls for us,' she said. 'At one point I was very ill and almost died. And I tried to kill myself by hanging and eating poison. But they took me to the hospital and revived me so I could perform my functions again. When one or two women would disappear this way from their ordeal, as quickly as they disappeared (the army) replaced them.'

Kim Soon-duk won her release at the end of the war, along with four other women from her village. She returned to Korea, escaping the fate of hundreds of other women who were either abandoned or murdered once their services were no longer required. 'The five of us received a stamp on a big white envelope giving us permission to travel back home,' she said.

Thus began the years of deep shame, social ostracism, physical and emotional scarring, and a 50-year silence. It wasn't until 1991 that the first ex-comfort woman, Kim Hak Soon, testified publicly, beginning a rising crescendo of survivor stories.

I asked Kim Soon-duk why she broke her silence. 'Many years passed and I was always wondering, was it my part to testify against this horrific experience? It would just cause pain for my family and friends. But, one by one, women were coming out into the public to talk about Japanese sexual slavery.'

She thought about it for three months, couldn't sleep nights, was tormented by day, then finally called the television station which aired the story. According to some commentators on the comfort woman issue, it's due to the advancing age of these women that stories are now being told. Their parents are long dead and their families – where these existed – grown up and married. The women have nothing to lose.



For Kim Soon-duk, however, life has been enriched since her testimonial, in terms of both her painting and her newly found political work. As an ex-comfort woman, she receives financial compensation and some degree of protection from the Korean Government. Under pressure from the Korean Council and growing public outrage, a special law was passed in 1993 to support the *halmoni*. This legislation suggests a vast shift in opinion: from social ostracism to the current respect. The women have even been extended some – though not sufficient – financial support. Kim Soon-duk currently lives communally with other ex-comfort women in the 'House of Sharing', a building combining residential housing with a commemorative hall. The 'Memorial Hall for Comfort Women' is open to the public. It has become a place for education about history, peace and human rights, dedicating itself to the proposition that such war crimes and violations of human dignity must never be repeated. It includes a gallery showing Kim Soon-duk's artwork. The Hall also organizes public tours of her painting to expose further the sorry truth of her Shanghai experiences.

For Kim Soon-duk life has been enriched since her testimonial, in terms of both her painting and her newly found political work

Although Kim Soon-duk is heartened by the public recognition of the long-buried plight of the comfort women, she remains frustrated with the lack of justice meted out by the current Japanese Government. 'At first they denied that it happened at all. They said the young women went to Japan and went all over Southeast Asia just to make money. But in fact the Japanese military just took tens of thousands of young Korean women and we were raped repeatedly along the military battlefronts across Southeast Asia.' Kim is very clear on this point: 'We did not go there go there to make money, we were forcibly raped.'

A report from the UN Commissioner for Human Rights supports Kim's claim. It calls on the Japanese Government to recognize its legal responsibility for the policy of sexual enslavement during the Second World War. The 1996 report goes further to insist that individual Japanese military officers and soldiers who committed sexual crimes must be held accountable and brought to justice. But official Japan continues its silence. In a recent apology to South Korea for its 35-year colonial rule, an agreement signed jointly by Japanese Prime Minister Keizo Obuchi and South Korean President Kim Dae-jung, the 'comfort women' were not even mentioned. Meanwhile, Kim Soon-duk continues her weekly protests in Seoul, and her hand steadies across the canvas. ■

Noreen Shanahan is a poet who lives in Toronto.

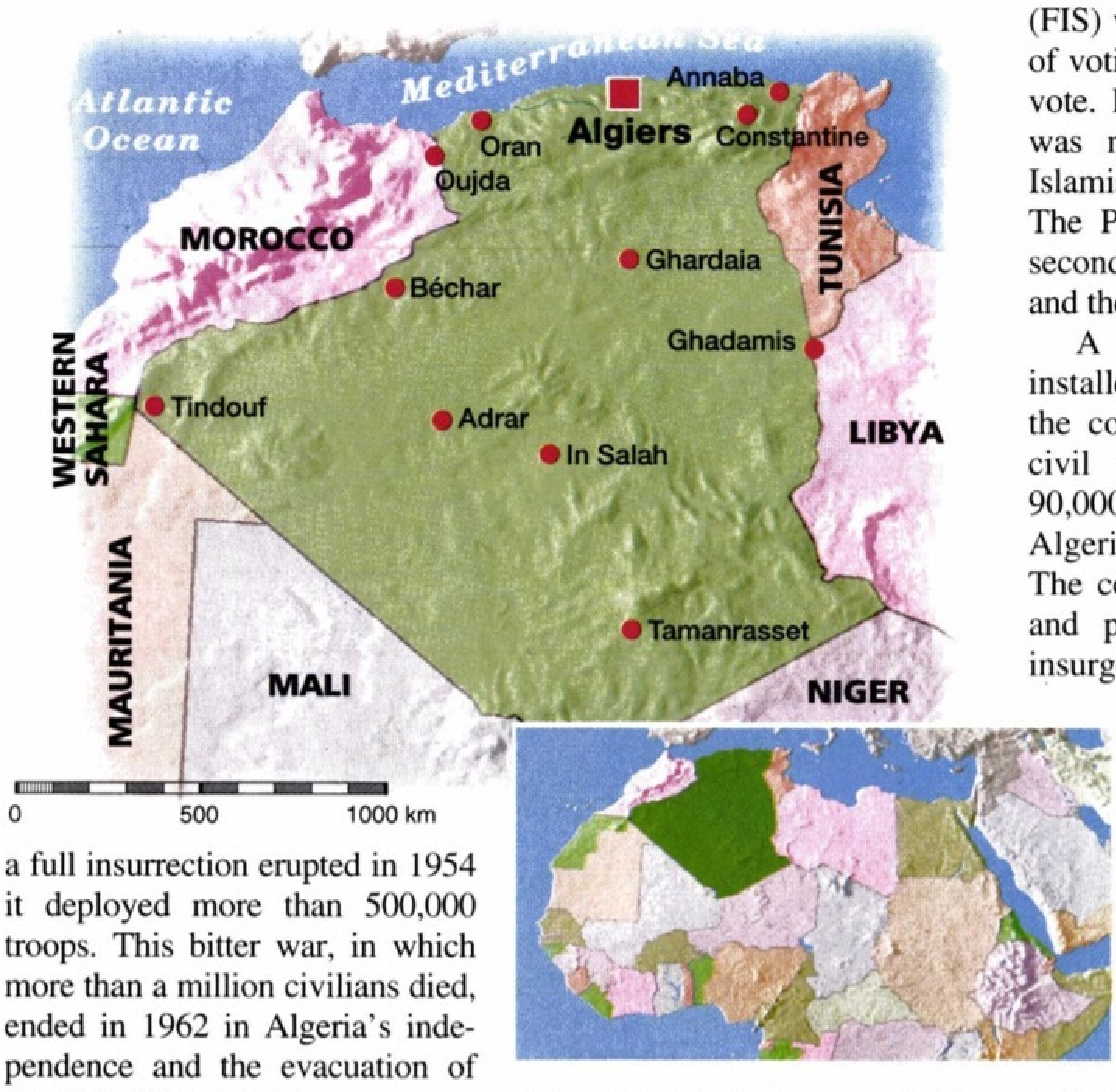
Country profile

Algeria

ALGIERS is a thriving port: anyone looking down from the hills on the attractive sweep of its bay might find it hard to conceive of this as a 'dangerous place'. Yet the world associates Algeria not with its significant slice of the Sahara or with its vast size – at 2.4 million square kilometres it is Africa's second largest country – but with the violence of two separate brutal wars, one of which still continues.

On the morning of 5 July 1830, Algeria was a sleepy backwater on the fringe of the Ottoman Empire. By the end of that day it had been occupied by a French expeditionary force and one of the most ruthless colonizations of recent history had begun. The French settlers, the *colons,* took all the best land (often replacing staple crops with vineyards), and the indigenous population were reduced to a state of dispossession, poverty and cultural disrepair.

Only in the 1920s did the tide begin to turn. The first Algerian nationalist newspaper appeared in 1924 and the nationalist movement became ever stronger. By the end of World War Two Paris had a clear choice: negotiate a settlement or give in to the *colons*' demands and suppress nationalism. It took the second road: after a full insurrection erupted in 1954 it deployed more than 500,000 troops. This bitter war, in which more than a million civilians died, ended in 1962 in Algeria's independence and the evacuation of the 1.5 million *colons.*



At independence the Front de Libération National (FLN), which had led the insurrection, was the sole political party. Despite internal divisions, the FLN stayed in power until 1991. With large reserves of oil and gas, the economy was strong. The fame of the liberation struggle was such that Algeria gained a prominence beyond its real strength. But the country's reputation – stable, prosperous, socialist – was to prove an illusion. The decline in oil revenues in the 1980s brought economic downturn and increasing popular discontent. By 1988, spiralling unrest threatened the FLN's rigid control of the state.

Constitutional reform led to a free general election at the end of 1991. A massive protest vote saw the Front Islamique du Salut (FIS) victorious in the first round of voting, with 47 per cent of the vote. But the military leadership was not about to stomach an Islamist government in Algiers. The President was deposed, the second round of voting cancelled and the FIS itself outlawed.

A military council was installed to rule. Within five days the country was plunged into a civil war which has claimed 90,000 lives and polarized Algeria's disparate population. The conflict has pitted the army and police against a shadowy insurgency led by the Groupe Islamique Armée (GIA).

The GIA has engaged in seemingly random acts of mass carnage. Whole villages have been wiped out in the worst atrocities, sometimes with troops sitting in their barracks very close to the scene. Not surprisingly, many believe the army has colluded with the insurgents. Meanwhile liberal journalists and artists have been murdered and thousands of people have 'disappeared'.

The Government has rejected criticism and reconciliation ideas from outside and shows little inclination to tackle the causes of the conflict. The bloodshed will continue until it does. ■

Steve Sherman

AT A GLANCE

SARAH ERRINGTON / HUTCHISON LIBRARY

Leader: General Liamine Zeroual, President until elections in April and May. His most likely successor from within the regime is Abdelaziz Bouteflika.

Economy: GNP per capita $1,520 (France $26,270).
Monetary unit: Dinar.
Main exports: Hydrocarbons (natural gas & petroleum) 97%.
Main imports: Capital goods/machinery (25%); semi-finished goods (25%); food & tobacco (20%).

People: 29.5 million.

Health: Infant mortality 34 per 1,000 (France 5 per 1,000).

Culture: Relatively uniform, but with major linguistic divides. Some 78% are Arabic-speaking, mostly Maghrebi, with 100,000 speakers of the Saharan dialect and 168,000 Hassaniya-speaking Saharawi refugees at Tindouf in the south-west corner. Most of the rest speak one of ten indigenous mutually unintelligible Berber – better called Amazigh – dialects. The most important are Kabyle (2.75m), Chaouia (1.5m), Tamazight (1m), Tashilhit and Tarifit (several hundred thousand each).
Religion: Nearly everyone is Sunni Muslim.

Sources *World Guide 1999/2000; The State of the World's Children 1999; Middle East Review 1998.*

Previously profiled December 1987.

NI star rating

EXCELLENT	★★★★★
GOOD	★★★★
FAIR	★★★
POOR	★★
APPALLING	★

STAR RATINGS

INCOME DISTRIBUTION ★★
There is a small and very wealthy élite, a sizeable middle class and a very large poor urban and rural working class.
1987★★★

LITERACY ★★
The adult literacy rate is 62%, midway between neighbours Libya (76%) and Morocco (44%).
1987★★★

SELF-RELIANCE ★★
Nearly everything except petroleum products is imported. The rural economy has never recovered from French rule.
1987★★★★

FREEDOM ★
The military rules without reference to the people and there are currently few outlets for popular expression. The war has induced a climate of fear.
1987★★★

POSITION OF WOMEN ★★
Employment prospects outside the home are very poor for most. Few women attain positions of power.
1987★★★

LIFE EXPECTANCY ★★★★
69 years (Tunisia 69 years, France 79 years)
1987★★★★

POLITICS

NI ASSESSMENT ★★ The civil war means the Government functions as a military regime. The current presidential elections are the closest to genuine public participation in the political process since the cancelled 1991 election. But the FIS remains banned and there is still tight military control: a pro-Islamist result would not be tolerated.

ETHICAL INVESTMENTS

Profit with a conscience

FREE impartial advice on ethical pensions, mortgages, savings and life assurance.

KINGSWOOD Consultants
Independent Financial Advisers

Regulated by the Personal Investment Authority
PIA Reg.No. 52146
PIA

Founding member of the UK Social Investments Forum

Please return this advert with your name, address & telephone no. for more details
FREEPOST Kingswood House, 29 North Street, Bicester, Oxon OX6 7NB
Tel: Bicester (01869) 252545 http://www.kingswoodethical.co.uk

Statutory warning: The value of an investment can fall as well as rise. PIA Statutory notive: PIA does not regulate mortgages.

To advertise in

New Internationalist

contact:

TERRY LOCK MEDIA SALES
3 Forest Way,
Ashtead, Surrey
KT21 1JN
Tel/Fax: 01372 276233

EMMAÜS Belfast

Residential Co-ordinator required.

EMMAÜS offers a home and meaningful work to vulnerable people. For application and information contact Jeremy Payne, 19 Brookvale Avenue, Belfast, BT14 6BW, tel: (01232) 749657.

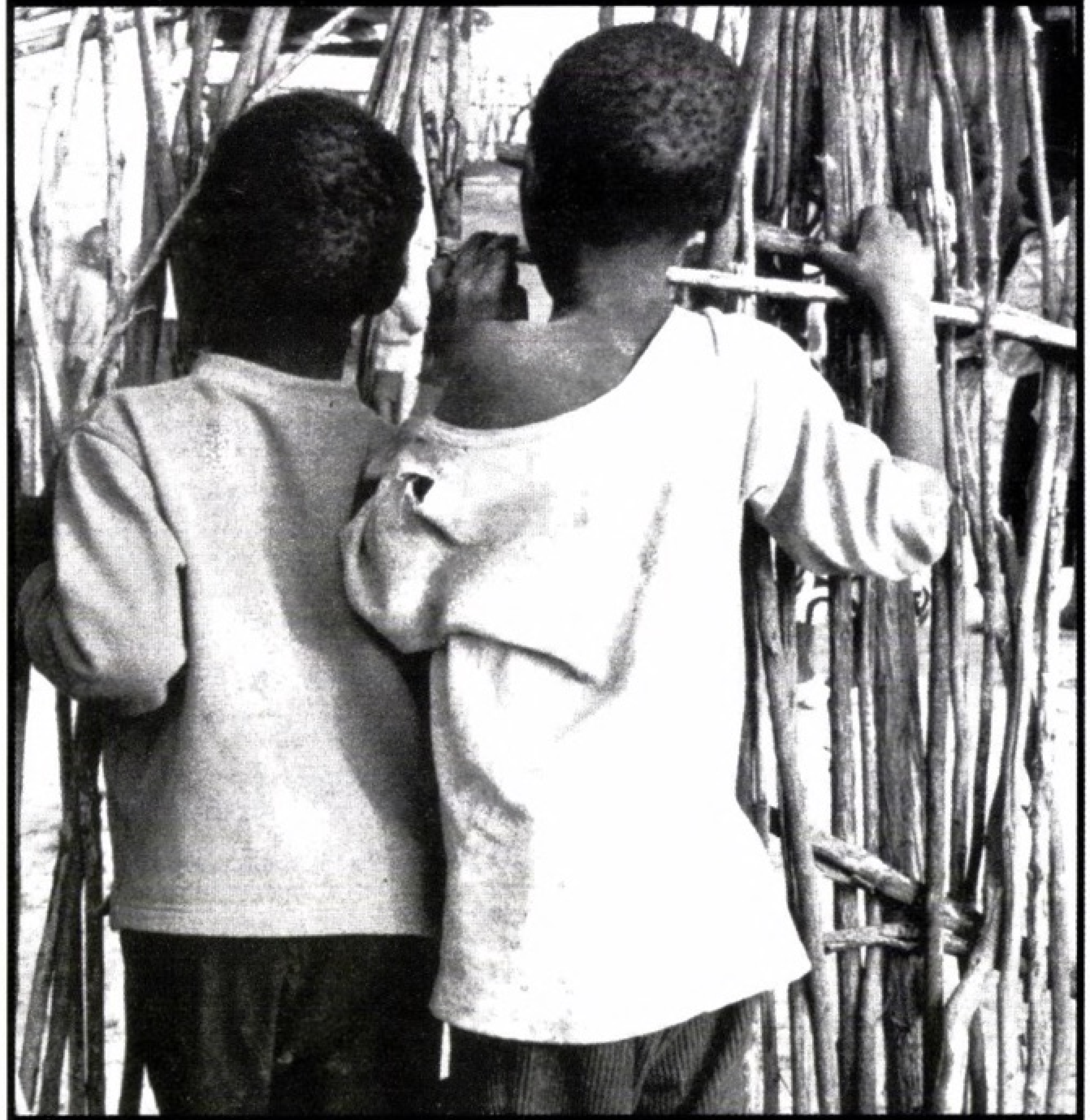
The mystery of Life

Our lives are part of a vast evolutionary plan which has been known since the dawn of civilization, but only to a few.
Now its details are revealed in modern Theosophy, a rich resource for inquiring minds.

For further information please write to:-

The Blavatsky Trust
Dept. NI 2/B. c/o The Theosophical Society,
50 Gloucester Place, London W1H 4EA.

Expelled...



...for being poor

For poor kids worldwide, education is their one chance to break out of poverty.

But unpayable international debts are shutting their schools and crushing their hopes.

It's a global scandal. And it has to stop. Poor kids need radical debt relief now.

Give them a chance. Join Oxfam's campaign.

education*now*
break the cycle of poverty

Oxfam

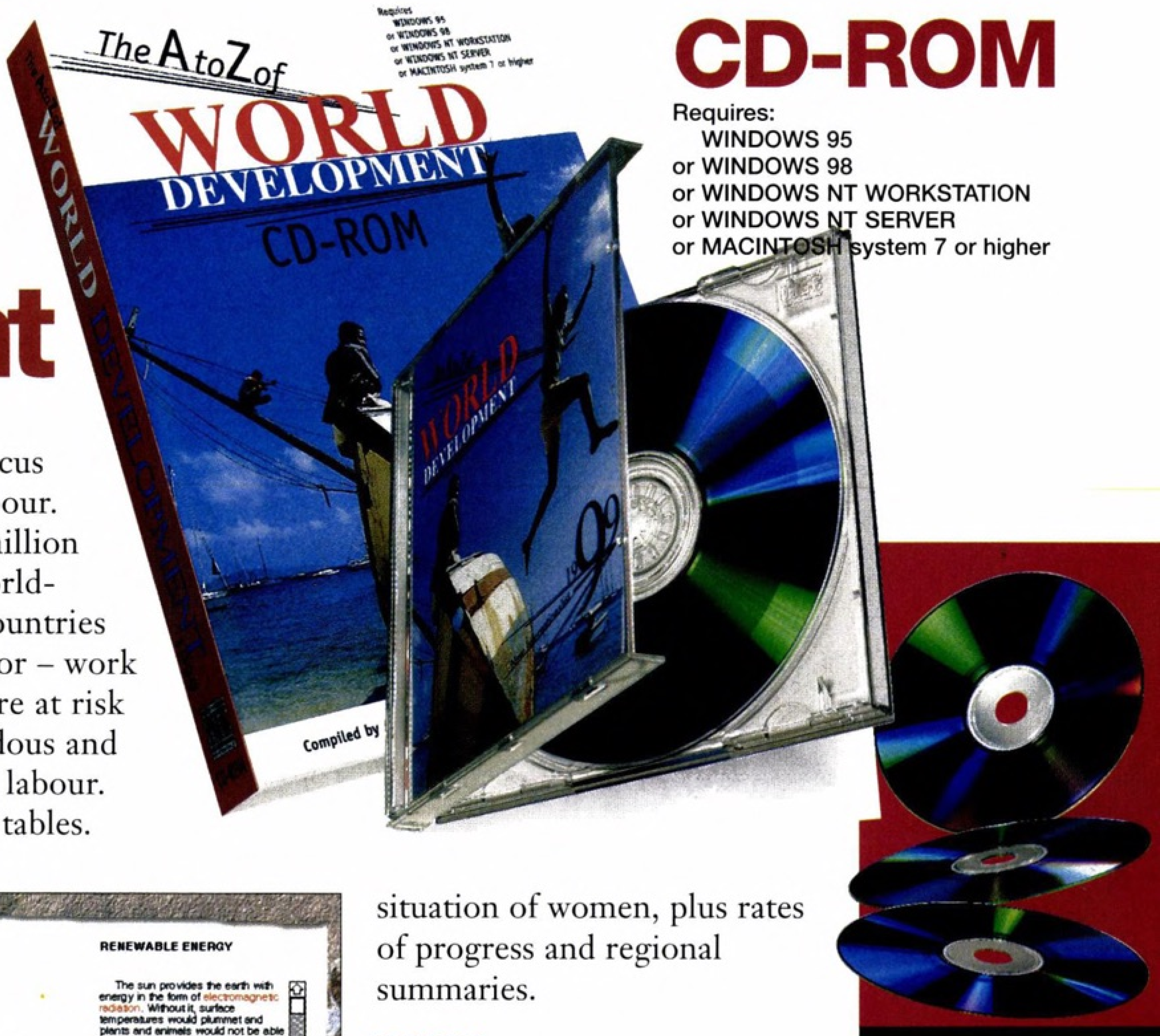
01865 313123 ▮ campaigns@oxfam.org.uk

title ________ name ____________________
address ____________________
____
____
postcode ____________________
telephone ____________________
NI

Please return coupon to: **Oxfam Campaigns, Freepost, 274 Banbury Road, Oxford OX2 7YZ**

Photograph: John Barraclough/Oxfam. Oxfam GB is a member of Oxfam International, registered charity no. 202918

The A-Z of World Development


The A to Z of WORLD DEVELOPMENT CD-ROM
Compiled by
WORLD DEVELOPMENT

THE **A-Z of World Development** CD-ROM is the interactive production of the book of the same name. There are entries on more than 600 development topics ranging from Rastafarianism to Toxic Chemicals, from East Timor to Population. It includes some 250 pictures, 140 charts, graphs and maps together with all the text from the book.

PLUS

Some of the best and most up-to-date statistical information in the world, filed by every nation to the UN Statistical Office in New York. These **UN Social Indicators** include data on Housing, Health, Unemployment, Water, Literacy, Income and Economic Activity, Human Settlements, Youth and Elderly Populations. It is a superb reference point for any project needing backing statistical information.

PLUS

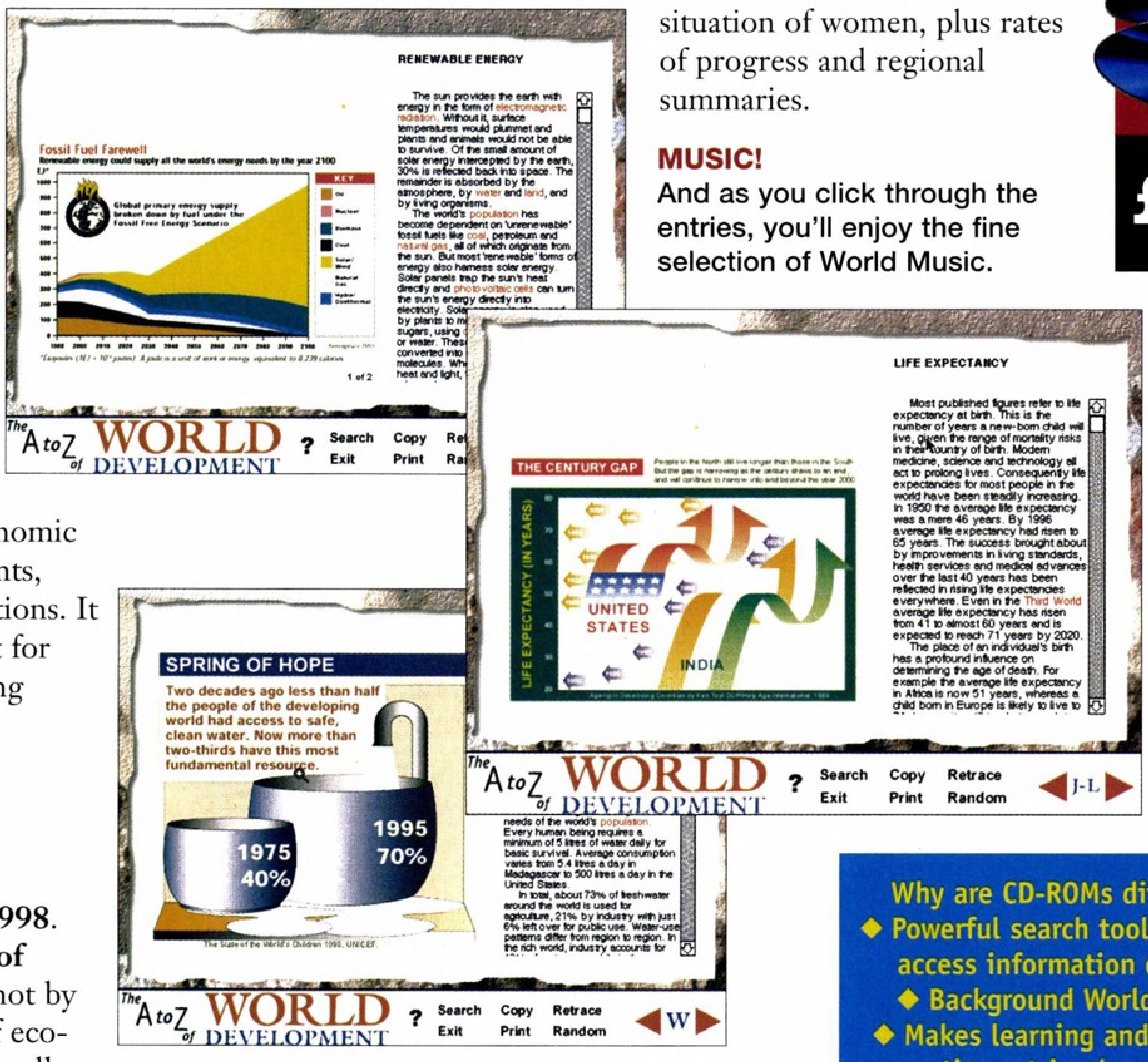
Front-line UNICEF publications:

◆ **Progress of Nations 1998**. Each year **The Progress of Nations** ranks countries, not by the traditional yardstick of economic growth, but by the well-being of their children. Particular emphasis is paid to: civil rights, child immunization, adolescence and homelessness.

◆ **The State of the World's Children 1997 Report**. Includes:

- Progress over The Convention on the Rights of the Child
- Special focus on child labour. Over 250 million children worldwide – in countries rich and poor – work and many are at risk from hazardous and exploitative labour.
- Statistical tables.

◆ **The State of the World's Children 1998 Statistics.** These are vital indicators of care, nurture and resources that children receive in their communities and countries. They cover nutrition, health, education, demography, economic indicators and the situation of women, plus rates of progress and regional summaries.



RENEWABLE ENERGY

The sun provides the earth with energy in the form of electromagnetic radiation. Without it, surface temperatures would plummet and plants and animals would not be able to survive. Of the small amount of solar energy intercepted by the earth, 30% is reflected back into space. The remainder is absorbed by the atmosphere, by water and land, and by living organisms.

The world's population has become dependent on 'unrenewable' fossil fuels like coal, petroleum and natural gas, all of which originate from the sun. But most 'renewable' forms of energy also harness solar energy. Solar panels trap the sun's heat directly and photovoltaic cells can turn the sun's energy directly into electricity.

LIFE EXPECTANCY

Most published figures refer to life expectancy at birth. This is the number of years a new-born child will live, given the range of mortality risks in their country of birth. Modern medicine, science and technology all act to prolong lives. Consequently life expectancies for most people in the world have been steadily increasing. In 1950 the average life expectancy was a mere 46 years. By 1996 average life expectancy had risen to 65 years. The success brought about by improvements in living standards, health services and medical advances over the last 40 years has been reflected in rising life expectancies everywhere. Even in the Third World average life expectancy has risen from 41 to almost 60 years and is expected to reach 71 years by 2020.

The place of an individual's birth has a profound influence on determining the age of death. For example the average life expectancy in Africa is now 51 years, whereas a child born in Europe is likely to live to

needs of the world's population. Every human being requires a minimum of 5 litres of water daily for basic survival. Average consumption varies from 5.4 litres a day in Madagascar to 500 litres a day in the United States.

In total, about 73% of freshwater around the world is used for agriculture, 21% by industry with just 6% left over for public use. Water-use patterns differ from region to region. In the rich world, industry accounts for

Fossil Fuel Farewell
Renewable energy could supply all the world's energy needs by the year 2100
Global primary energy supply broken down by fuel under the Fossil Free Energy Scenario
KEY
1 of 2
THE CENTURY GAP
LIFE EXPECTANCY (IN YEARS)
UNITED STATES
INDIA
SPRING OF HOPE
Two decades ago less than half the people of the developing world had access to safe, clean water. Now more than two-thirds have this most fundamental resource.
1975 40%
1995 70%
The State of the World's Children 1998, UNICEF
The A to Z of WORLD DEVELOPMENT
?
Search
Exit
Copy
Print
Retrace
Random
J-L
W

MUSIC!

And as you click through the entries, you'll enjoy the fine selection of World Music.

CD-ROM

Requires:
WINDOWS 95
or WINDOWS 98
or WINDOWS NT WORKSTATION
or WINDOWS NT SERVER
or MACINTOSH system 7 or higher

£29.95

Why are CD-ROMs different?
◆ Powerful search tools help you access information quickly.
◆ Background World Music.
◆ Makes learning and information retrieval easier.

Site licenses are available;
please contact your nearest
New Internationalist Office for details or
e-mail jol@newint.org (UK) or
brianl@newint.com.au (Australia)

SEE ORDER FORM INSIDE THIS MAGAZINE

ISBN 1 869847 71 7

SYSTEM REQUIREMENTS: Windows: ◆ *486 DX processor or better* ◆ *8Mb RAM (16 Mb recommended)* ◆ Windows® 3.1x or Windows® 95 or Windows® 98 or Windows NT® ◆ *256 Color display or better* ◆ *Sound Card and Speakers* ◆ *2x speed CD-ROM drive or better* Macintosh: ◆ Mac LC630 *or faster* ◆ *8Mb RAM (16 Mb recommended)* ◆ *color display* ◆ *System 7 or higher* ◆ *2x speed CD-ROM drive or faster* All platforms: ◆ *Web browser (e.g. Internet Explorer or Netscape Navigator)* ◆ *Hard disk space may be required to install optional Adobe Acrobat Reader (5-7Mb) and Microsoft Excel Viewer software (5Mb) in order to read the bonus information from the United Nations, UNICEF and the World Bank.* Networks: *This product has been designed and tested to allow network operation and should function properly in any Windows or Macintosh network, including in CD stacker environments.*

GUARANTEE: IF YOU ARE NOT HAPPY WITH THIS CD-ROM, JUST RETURN IT WITHIN TEN DAYS FOR A FULL NO-QUIBBLE REFUND.

THIRD
WORLD
FIRST

Were *you* ever involved in Third World First?

Thirty years on, Third World First is still characterised by the determination and passion of its members and is still the only national student organisation campaigning on world poverty, human rights and the environment.

To celebrate our Thirtieth Anniversary we are producing a history of Third World First (now called People & Planet), and we need to know what *you* remember of your involvement. We also want to reunite old friends to celebrate our achievements.

Please contact: Sasha Blackmore, Third World First/
People & Planet, 4A East Avenue, Oxford OX4 1XW
E-mail: twf@gn.apc.org

people & planet
previously third world first

action on world poverty, human rights & the environment

GREEN VOTES COUNT

Greens set for breakthrough in European Elections

In 1989 the UK Green Party polled 15% in the European Elections, but won no seats. Proportional representation would have returned 12 UK Green MEPs. The elections this June will use PR. At last Green votes will count and UK Greens should join their colleagues in the Green Group in the European Parliament.

The Green Group has played a crucial role in European politics, with many significant achievements, the most recent being the exposure of fraud and nepotism in the EU Commission which led to its wholesale resignation. The Greens have a distinguished record of defending human rights, animal welfare, the environment and democracy. They have consistently confounded attempts to introduce undesirable measures by forcing debates in Parliament and eventual climbdowns.

Only the Greens offer a radical alternative to the slavish acceptance of globalisation at the heart of the current European project. We believe the future lies in the promotion of stronger and more diverse local economies, with high social, environmental and democratic standards. Our policies are designed to make countries less dependent on the global economy and more responsive local needs. *A Europe for the people - not transnational corporations!*

There's *never* been a more crucial moment to support the Green Party

The grey parties remain manacled to the barren dream of maximising growth at the expense of people and the planet, promoting policies of conflict and destruction. The election of UK Greens to Europe will herald a long awaited turning point - the catalyst to propel us towards a Green millennium. ***But we need the support of every green-minded person in the country.*** Help us grasp this unique opportunity.

"Green politics is about a new way of relating to the world and each other. The core values at the heart of our philosophy - equity, peace, sustainability - make the Greens the only radical party in Britain."
Dr. Caroline Lucas
Aid Agency Policy Advisor for Trade & Environment
Green Party County Councillor (Oxfordshire) 1993-7
Prospective European Parliamentary Candidate (S.E. Region)

Please send information about the Green Party
I enclose a donation of £ ____ *(Payable to* **Green Party***)*
Name ______________________
Address ______________________
____
Postcode ______________________

Send to: **GREEN PARTY, FREEPOST LON 6780, LONDON N19 5BR**
Tel: 0171 272 4474 Email: office@greenparty.org.uk Website: www.greenparty.org.uk

KOSOVO CRISIS

Tragedy in the Balkans

A massive humanitarian crisis has been unfolding in Europe. Tens of thousands of people are in urgent need of help – **your help**. Those fleeing Kosovo have nothing and local people trying to help in neighbouring regions are overwhelmed. They and those left behind are in desperate need.

Your gift will provide the food, clothing, shelter, water, and health care they need to survive the terrible weeks of uncertainty ahead.

We, the DEC aid agencies, are already doing everything in our power to help these people. But our emergency supplies are running out. We need funds. Now.

Please give what you can. Call the Kosovo Crisis credit card donation line, or send off the coupon.

Thank you.

0990 22 22 33

DISASTERS EMERGENCY COMMITTEE

British Red Cross – Cafod – Care International UK – Chridren's Aid Direct – Christian Aid – Concern Worldwide – Help the Aged – Merlin – Oxfam – Save The Children – Tearfund – World Vision

Yes I want to help

I want to give £15 ☐ £25 ☐ £50 ☐ £100* ☐
Other £______________

*on a gift of £100 we can reclaim the income tax you have already paid increasing your donation by a third, at no extra cost to you.

I enclose a cheque made payable to the DEC Kosovo Crisis Appeal OR

Please debit by Access/Visa/Switch/Delta/CAF Charity Card/Master Card (circle one).

Card No ☐☐☐☐ ☐☐☐☐ ☐☐☐☐ ☐☐☐☐

Issue No ☐ Expiry Date ☐☐

Please tick here if you would like a receipt ☐

Signature ______________ Expiry Date ______________
Title ______ Initials ______ Surname ______________
Address ______________________
____
Postcode ______________________

Complete coupon and return to: Kosovo Crisis Appeal, PO Box 999, London EC4A 9AA

DEC, 52 Gt Portland Street, London W1N 5AH

JUST WHITE RUG

The pure simplicity of white cotton, unbleached and undyed, with a soft chunky feel. From a handweavers' cooperative overlooking the Ganges in India's Himalayan foothills.

3 SIZES: ▶2.1 x 1.2M (7x4ft) £50 ▶1.8 x 0.9M (6x3ft) £35 ▶1.2 x 0.6M (4x2ft) £16

Carefully washable. Please add £3.50 per order towards p&p and send cheque with order to:

One Village Direct (NI Offers), FREEPOST, Charlbury, Oxfordshire OX7 3BR

The definitive cotton durry from **one village**

SERVAS
open doors, open minds.

A worldwide network of travellers & hosts to help build international peace.

Details:
SERVAS INTERNATIONAL NI,
PO Box 1035, Edinburgh,
EH3 9JQ, UK.
or for Australia:
Kevin Newham, PO BOX 1086,
Airlie Beach, Queensland 4802,
Australia.

Community for Reconciliation

Conflict Resolution Course
10th – 14th August

Presentations, exercises, discussion and participation on mediation and peace building on the basis of Christian teaching and in a setting of worship and community living
Led by Revd. John Johansen – Berg
Cost £120
To book or obtain details please contact
Community for Reconciliation
Barnes Close, Chadwich Bromsgrove,
Worc. B61 0RA Tel 01562 710231

VOLUNTEER OVERSEAS

1-year placements with participatory local community development organisations worldwide. Volunteer Orientation Weekends – *all welcome!*

For details sae to: **ICA**, 19 Lansdowne House, Manchester M20 6UJ.

EMMAÜS Belfast

Residential Co-ordinator Required.

EMMAÜS offers a home and meaningful work to vulnerable people. For application and information contact Jeremy Payne,
19 Brookvale Avenue, Belfast, BT14 6BW,
tel: (01232) 749657.

Become an International Family

Do something positive – volunteer to welcome a young person from a different culture to your home

Why?
- ◆ Learn to see the world from another perspective
- ◆ Broaden the outlook of your family
- ◆ Have an unforgettable experience
- ◆ Make international friends

To be part of this intercultural experience contact:
AFS Arden House,
Wellington St,
Bingley BD16 2NB
Telephone: 01274 560677
Fax: 01274 567675
e-mail: families@afs.org
AFS, a registered charity (284174) is in its 52nd year and part of an international network.

THE ANGLICAN PACIFIST FELLOWSHIP

(A Registered Charity)

believes that faith in Jesus Christ calls for the repudiation of all war.

We seek to witness to that belief within the Anglican Communion at all levels.

Enquiries to:
APF, 11 Weavers End
Hanslope, Milton Keynes MK19 7PA

JOURNEY LATIN AMERICA
Low cost flights and escorted group holidays. Fully bonded tour operator ABTA V2522 ATOL 2828 AITO. *Journey Latin America, 12 & 13 Heathfield Terrace, London W4 4JE, UK. Tel: 0181 747 8315*

INTERNATIONAL VOLUNTEERING

This summer with International Voluntary Service.

Work with an international group of volunteers on more than 700 projects in over 40 countries.

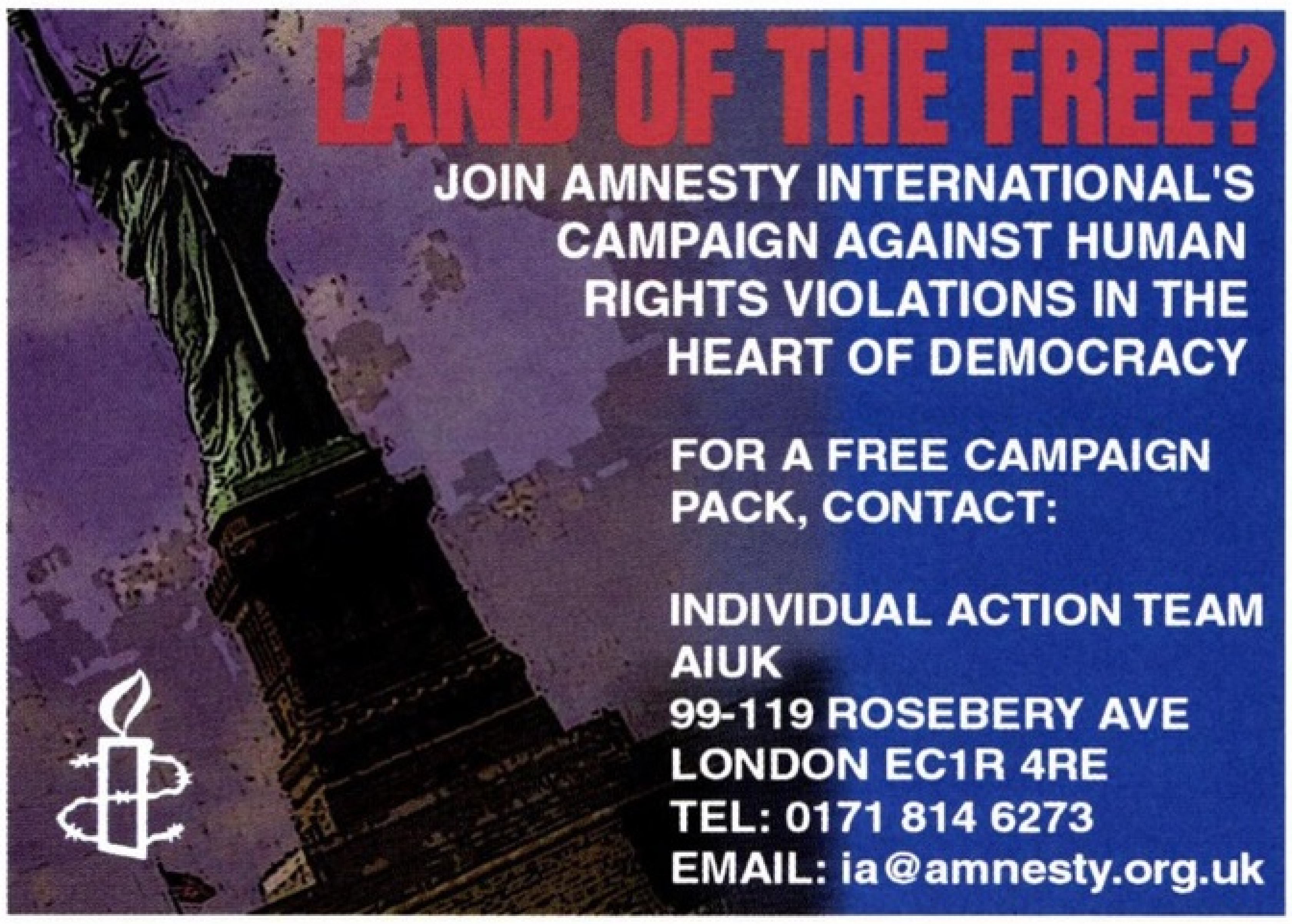
For full listing send £4.00 with A4 S.A.E. to
IVS, Castle Hill House,
21 Otley Road, Leeds,
LS6 3AA.

GREEN WORKING HOLIDAYS!
Sunseed Desert Technology seeks volunteers for environmental research in Southern Spain. Desert reclamation, solar energy, organic gardens, sustainable living, and more! Cost from £60pw full board, veggie wholefood. *SAE to SDTN, Box 2000, Cambridge CB4 3UJ. Tel/fax 01273 387 731.*

LifeLines

Lifelines provides vital support to prisoners on America's Death Rows, through letter-writing. If you would like to help by becoming a correspondent, please send a SAE for further details.

Lifelines, 96 Fallowfield,
Cambridge, CB4 1PF England



LAND OF THE FREE?

JOIN AMNESTY INTERNATIONAL'S CAMPAIGN AGAINST HUMAN RIGHTS VIOLATIONS IN THE HEART OF DEMOCRACY

FOR A FREE CAMPAIGN PACK, CONTACT:

INDIVIDUAL ACTION TEAM
AIUK
99-119 ROSEBERY AVE
LONDON EC1R 4RE
TEL: 0171 814 6273
EMAIL: ia@amnesty.org.uk

Central America Conference

In the aftermath of Hurricane Mitch: Rebuilding Economies, Rebuilding Communities

Saturday 12 June, 1999
10.00a.m. – 5.15p.m.
Carrs Lane Church Centre,
Carrs Lane, Birmingham B4

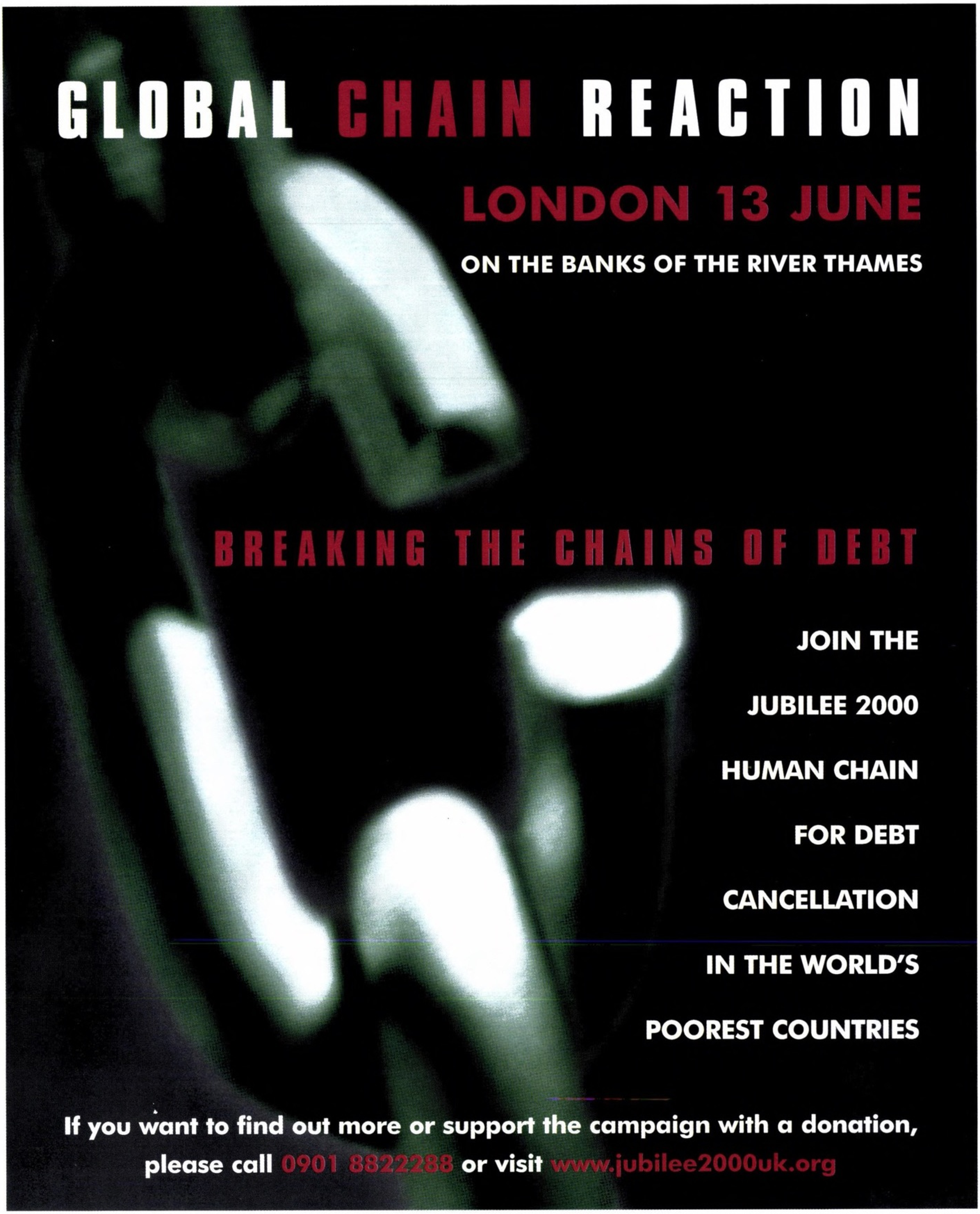
Registration: £10/£3 low waged or unwaged

Speakers from Nicaragua, Guatemala, Nicaragua and Honduras

Further information:
Nicaragua Solidarity Campaign,
129 Seven Sisters Rd,
London N7 7QG Ph: 0171 713 0392
Email: nsc@gn.apc.org

To advertise in NEW INTERNATIONALIST contact:

TERRY LOCK
MEDIA SALES
3 Forest Way,
Ashtead,
Surrey KT21 1JN
Tel/Fax: 01372 276233



GLOBAL CHAIN REACTION

LONDON 13 JUNE

ON THE BANKS OF THE RIVER THAMES

BREAKING THE CHAINS OF DEBT

JOIN THE
JUBILEE 2000
HUMAN CHAIN
FOR DEBT
CANCELLATION
IN THE WORLD'S
POOREST COUNTRIES

If you want to find out more or support the campaign with a donation, please call 0901 8822288 or visit www.jubilee2000uk.org

DROP THE DEBT

JUBILEE 2000
COALITION
A debt-free start for a billion people

Rip it up, Write it off.

Christian Aid and The Co-operative Bank are working together to call for the cancellation of poor countries' unpayable debts. Current debt relief mechanisms are severely limited - very few real resources are being freed up. The UK Government has committed itself to halving absolute poverty by the year 2015, and we want to help them do it. But unless we push to cancel far more debt than is currently being planned they're not going to make it. Help the Government to reach its target, and help start to end poor countries' debt.

Please fill in the coupon below. We in turn will give it to the Chancellor.

Become part of a collective voice calling for a fairer future for all.

Dear Chancellor

For the Government to achieve its target of halving absolute poverty by the year 2015 the Treasury must play a central role. Whilst debt is not the only cause of poverty, it is a key influencing factor and it is vital that much more debt is cancelled, enough to release the substantial resources required to fight poverty. I urge you to ensure that significantly greater debt is cancelled in order to achieve this target.

I also urge you to promote a more responsible approach to lending and borrowing, thereby stamping out irresponsible practices in the future, and preventing debts from building up again.

Signed ____________________

Your Name ____________________

Your Address ____________________

Postcode

Once completed please put in an envelope and send to:

Customers Who Care, FREEPOST MR 4073, P. O. Box 101, Manchester M60 4EP. No need to use a stamp.

Christian Aid
We believe in life before death

The CO-OPERATIVE BANK